Ratio Study

1980-81 Edition

International Business Forms Industries, Inc.

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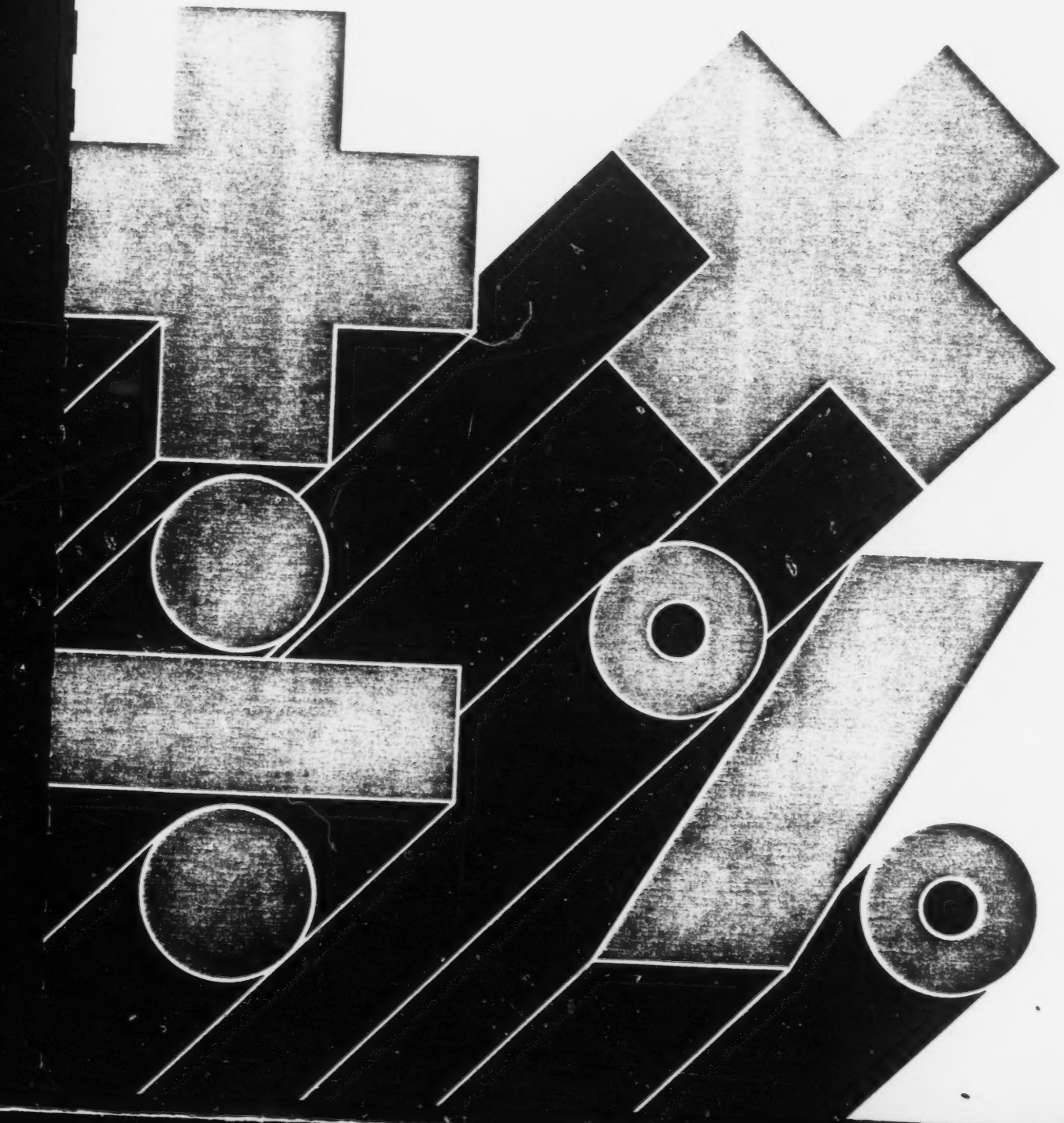

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1980-1981 ANNUAL RATIO STUDY

Prepared at the direction of the IBFI Financial Management Committee of International Business Forms Industries,/PIA, for the benefit of the Industry and its customers.

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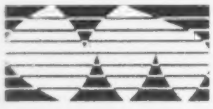

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INTRODUCTION

A NOTE TO PARTICIPANTS IN THIS SURVEY

This report was prepared with the assistance of Feddeman, Lesche Inc. This is a Washington, D.C. - based accounting and financial consulting firm which has built up an impressive familiarity with the special needs of trade associations and their memberships. Feddeman, Lesche takes every possible step to protect the confidentiality of participants' financial data while a dual coding system ensures that neither IBFI nor Feddeman, Lesche can identify specific questionnaires with specific names.

Feddeman, Lesche conducted the study according to the IBFI Guidelines for Research Programs. While the source data used to prepare the various schedules were not audited by them, they did review the reports for completeness, accuracy and plausibility. Where necessary, participants were contacted on questionable items. Published data does not include information based on fewer than three responses nor does it include information in which more than 60 per cent of the observed variable is due to a single response.

Please remember that comparing the data in this report with that in reports published in prior years can be misleading unless great care is taken. Although the bulk of the participants make an annual response to this survey, in any given category the sample can change quite significantly.

Sincerely,

Norman McLeod

Norman McLeod
Director, Market and Economic Research

I. MAKING THE RATIOS PAYOFF

Looking for Differences: The Law of Exception

Analyzing the Ratio Study can be a source of money-saving, profit-making ideas for your company. Improper use of the ratios can also be the source of disaster. The ratio results were not meant to be the last word on how things ought to be. They only describe how a group of different companies have performed under a variety of conditions. Literally accepting and applying the ratios as company goals could mean adopting a company strategy that is wholly inappropriate for the circumstances that the company finds itself in.

The key to successful use of the Ratio Study is recognizing that there will be differences between your company and the ratio averages. Some of these differences are because of the products you sell, or the way you market, or the size of your operation. The different arrays in the Ratio Study help to take these things into account. Other differences exist because of the way you have organized your company and directed its resources to getting the job done. These are the differences you ought to be looking for in the ratios. The Law of Exception states that the key to controlling your company is identifying the differences between your firm and the industry and then determining why your firm is an exception.

Seven Rules for Ratio Analysis

Before plunging ahead, it's important to keep in mind that numbers are not always what they seem. Any analysis of the ratios should look behind the numbers to see what they are composed of and how they are computed. Following these seven rules should help avoid being misled by the numbers.

1. Compare like items and numbers. Make sure that your accounts follow the IBFI Chart of Accounts so that each line item is comparable to the ratio averages. This chart of accounts is included at the end of the book.

2. Analyze all substantial deviations from the norm, both highs and lows. There are two messages in this rule. The first is not to squander time on small differences. You might want to limit analysis to only those items where you are some percentage, like 25% for instance, higher or lower than norm. The second point is to look at both highs and lows. Many companies tend to look at only the items where they exceed the ratios, forgetting that low items may point to some strength that oculd be used to advantage.

3. Ignore isolated numbers. Look at more than one ratio before coming to any conclusions.

4. Look at both the numerator and the denominator. A ratio is usually made up of one number divided by another, each one of which could be the source of the deviation.

5. Recognize compensating advantages. Salaries and benefits to owners of closely-held companies, for instance, may be higher than those paid to managers of publicly-held companies while profits may be lower.

6. Consider seasonal variations. The industries you serve may have a different cycle than the norm.

7. Critically review trends. Look at the direction of changes in your ratios over a number of years.

A Constructive Approach to Analysis

Once you are sure of the numbers behind the differences, the hardest task is figuring out the reasons for these differences in a constructive way. That means not making qualitative judgements about whether the differences are good or bad and especially not putting anyone on the defensive. A well-regarded forms executive described his very simple approach to the ratios which is worth passing on. He grouped his various cost centers according to the ratio chart of accounts. He then removed his company's information from the ratio averages. (A simple process since the ratios are unweighted averages. Simply multiply the published ratio by the number of firms, subtract your ratios from that result and divide by the number of firms minus yours.) He compared the results to find any that differed from his, even in different size companies. Then he tried to figure out why or how the differences occurred. The people with the responsibility for each cost center were given his facts and analyses of the results, but were not put on the defensive. He describes the process as kind of a game which resulted in a healthy approach to improvement, better efficiency, and sometimes lower costs. His firm, incidentially, has been in the "profit Leaders" category in each of the last 10 years!

Sources of Difference

Finding valid reasons for differences is not always easy. Perhaps the following can provide the beginning of a checklist.

Product Complexity - Generally increasing product complexity means higher value added. It could also explain why some cost centers, where the complex work is done, are higher than average while others are lower. More complexity may also require higher capital investment; more highly skilled, higher paid people, or more working capital. Tne following are possible variations of product complexity:

a. Custom design versus stock or stock format
b. Number of parts and variablity of copy between parts
c. Amount of copy
d. Use of color
e. Use of special materials
f. Number and kinds of processing operations required

Manufacturing Capabilities - The resources that a firm has available in terms of equipment and people not only affects the levels of costs and investment but also may account for different distribution of costs among various cost centers. Among the considerations are:

a. Camera-ready copy versus in-house composition
b. Age, size and speed of presses and collators
c. Use of unit presses
d. Degree of equipment specialization
e. In-house carbon coating
f. Scale of the operation

Production Management - The way a company has organized its resources and its approach to each particular job affects value added, profitability, working capital requirements, in fact, just about every ratio there is. Some of the more significant management activities are:

a. Plant layout; work flow
b. Scheduling; manning
c. Inventory control; waste management
d. Number of shifts; use of overtime
e. On-line versus off-line operations; split of processing operations among presses, collators, other equipment.
f. Make or buy decision
g. Training and supervision
h. Manufacture to stock or to order

Markets Served/Market Strategies - Marketing decisions affect the kind of work that comes in, how well it fits the company's capabilites, how profitable it will be, and even how the product will be made. Marketing strategies will also impact on working capital requirements and capital investment decision. Some specific marketing activities are:

a. Order sizes
b. Discount policies
c. Credit policies
d. Pricing; concessions policies
e. Breadth of product line offered
f. Brokered business taken or given
g. Order turn-around
h. Dealer-direct mix
i. Customer services
j. Price list development
k. Size of market area

Alternative Analyses

The overall ratios in this report and the individual ratios mailed to each participant all set the value of sales equal to 100 and analyze costs and profits as a percentage of that value. Because the different marketing channels and product specialties in this industry can create sharply different costs of sales and gross profit percentages, the <u>real</u> differences are not always apparent. Another way to look at the results is on a cost of production basis. In this analysis the total cost of production is set equal to 100 and the line items which comprise it are computed as percentages. In many cases this analysis gives the best comparison of manufacturing efficiencies.

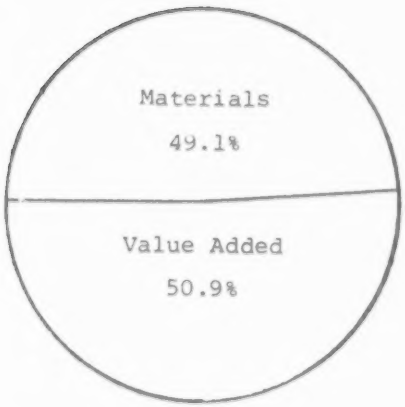
COST OF PRODUCTION ANALYSIS

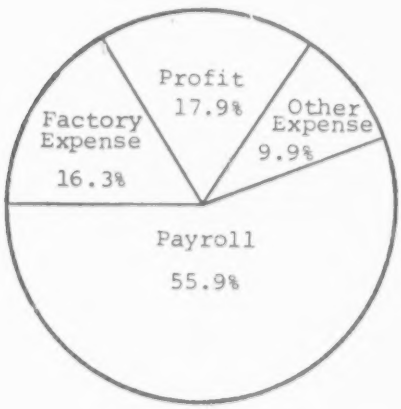
	Materials				Factory	Other	
	Paper	Carbon	Other	Total	Payroll	Factory	TOTAL
All Firms	49.3	8.9	6.6	64.8	24.3	10.9	100.0
Leaders	50.5	10.1	4.7	65.3	24.2	10.5	100.0
Under $3 million	38.9	9.0	6.6	54.5	31.0	14.5	100.0
$3-8 million	39.4	8.5	7.3	55.2	29.5	15.3	100.0
$8-15 million	44.4	8.7	9.3	62.4	26.4	11.2	100.0
Over $15 million	53.0	9.0	5.9	67.9	22.4	9.7	100.0
Direct	51.1	7.8	9.4	67.3	22.4	10.3	100.0
Dealer	43.5	10.0	5.1	58.6	29.2	12.2	100.0
Direct, Custom	60.1	9.2	8.7	78.0	14.0	8.0	100.0
Unit Sets	32.5	7.6	11.6	51.7	33.6	14.7	100.0
Mixed	48.5	8.1	8.5	65.1	24.1	10.8	100.0
Dealer, Custom	42.4	6.4	4.6	53.4	32.0	14.6	100.0
Direct							
Custom	60.1	9.2	8.7	78.0	14.0	8.0	100.0
Unit Sets	32.5	7.6	11.6	51.7	33.6	14.7	100.0
Mixed	48.5	8.1	8.5	65.1	24.1	10.8	100.0
Dealer							
Custom	42.4	6.4	4.6	53.4	32.0	14.6	100.0
Unit Sets	42.1	10.9	3.6	56.6	29.1	14.3	100.0
Mixed	41.8	15.4	7.0	56.5	32.3	11.2	100.0
Mixed							
Mixed	*	*	*	59.8	29.5	10.7	100.0
Stock	*	*	*	79.5	12.7	7.8	100.0

*Insufficient Data

Value Added Approach

A second way to examine the ratios is to separate the cost of items tne company buys from what the company puts into the finished product, that is, value added. Value added is the reflection of management's ability to successfully produce and sell the company's products. It is value added, not sales, that enable companies to meet the payroll, invest in equipment, and generate working capital for growth. In short, value added is what the company is all about.





As the simple diagrams illustrate, suppliers take nearly half of the average firm's sales dollar, leaving only 51% of that dollar within management's control. Of course, that share varies from 20% to as high as 75% depending on the product. After product differences, the next major difference in value added among companies comes from market channel orientation since direct sales companies retain all of the value added that dealer sales companies must share with the distributor. A third major source of higher value added comes from pricing. Finally, the profit aspect of value added reflects the intrinsic value to the customer that the company has built into the product or the efficiency with which managers have organized to make the product.

VALUE ADDED ANALYSIS

	Under $3 Million	$3-8 Million	$8-15 Million	Over Million
Sales	100.0	100.0	100.0	100.0
Direct Materials	41.2	42.2	48.6	51.1
Value Added	58.8	57.8	51.4	48.9
(As Percent of Value Added)				
Factory Payroll	39.9	39.0	39.9	34.6
Factory Expense	18.7	20.3	16.9	15.0
Administrative Expense	15.7	12.2	12.4	12.8
Sales Expense	13.2	13.8	17.8	18.9
Other Operations, Profit	1.7	0.7	-(1.8)	-(1.2)
Profit, Forms	10.8	14.0	14.8	19.9
TOTAL	100.0	100.0	100.0	100.0

DIRECT

	All Firms	Continuous Custom	Unit Sets	Mixed Product
Sales	100.0	100.0	100.0	100.0
Direct Materials	49.8	58.7	36.1	48.2
Value Added	50.2	41.3	63.9	51.8
(As Percent of Value Added)				
Factory Payroll	33.1	25.5	36.7	34.5
Factory Expense	15.2	14.6	16.1	15.4
Administrative Expense	13.7	9.3	17.2	13.8
Sales Expense	19.1	19.6	21.2	22.6
Other Operations, Profit	1.7	-(0.2)	-(0.6)	-(2.7)
Profit, Forms	17.2	31.2	9.4	16.4
TOTAL	100.0	100.0	100.0	100.0

DEALER

	All Firms	Continuous Custom	Unit Sets	Mixed Product
Sales	100.0	100.0	100.0	100.0
Direct Materials	45.4	41.4	46.3	41.9
Value Added	54.6	58.6	53.7	58.1
(As Percent of Value Added)				
Factory Payroll	41.4	42.3	44.5	40.3
Factory Expense	17.3	19.3	21.7	14.3
Administrative Expense	12.5	11.7	12.8	12.2
Sales Expense	10.9	.9	9.3	12.5
Other Operations, Profit	0.6	.1	1.3	1.5
Profit, Forms	17.3	17.7	10.4	19.2
TOTAL	100.0	100.0	100.0	100.0

Another key area of differences is fixed cost. Here the manufacturing efficiencies of larger scale are evident. Less evident but equally important are differences in the amount of working capital as a percentage of sales.

FIXED COST AS PERCENT OF SALES

	Under $3 Million	$3-8 Million	$8-15 Million	Over $15 Million
Supervisors Salaries	3.0	2.8	2.0	1.6
Factory Fixed Expense	6.8	5.8	4.6	3.8
Sales Executives Salaries	1.3	1.0	0.8	0.6
Administrative Executives Salaries	3.0	2.3	1.4	0.8
Office Salaries and Benefits, Administrative	3.2	2.4	2.1	3.0
Office Salaries and Benefits, Sales	1.3	1.5	1.8	1.4
TOTAL	18.6	15.8	12.7	11.2

DIRECT

	All Firms	Continuous Custom	Unit Sets	Mixed Product
Supervisors Salaries	1.9	0.8	3.4	2.1
Factory Fixed Expense	3.8	3.1	7.1	3.9
Sales Executives Salaries	0.7	0.4	1.4	0.7
Administrative Executives Salaries	1.1	1.3	3.6	1.0
Office Salaries and Benefits, Administrative	2.9	0.9	3.6	3.2
Office Salaries and Benefits, Sales	1.4	4.3	0.1	7.7
TOTAL	11.8	10.8	28.2	18.6

DEALER

	All Firms	Continuous Custom	Unit Sets	Mixed Product
Supervisors Salaries	2.3	2.5	2.1	2.5
Factory Fixed Expense	5.2	6.4	5.0	4.9
Sales Executives Salaries	0.6	0.6	0.9	0.4
Administrative Executives Salaries	1.4	1.7	1.9	1.0
Office Salaries and Benefits, Administrative	2.9	2.5	2.7	3.6
Office Salaries and Benefits, Sales	1.6	1.5	1.2	1.9
TOTAL	14.0	15.2	13.8	14.3

II. ABSOLUTE DATA AND RATIOS FOR ALL FIRMS

ABSOLUTE DATA

	Number Firms	Total Sales	Value of Production (000)	Pretax Net Income (000)	Assets (000)	Number of Employees
ALL FIRMS	70	$921,483,292	$842,500,470	$78,842,687	$443,182,176	$13,220
By Size:						
Under $3 million	18	29,292,117	28,039,085	1,850,181	13,879,708	629
$3-8 million	25	124,105,630	119,184,720	10,069,868	60,317,329	2,624
$8-15 million	11	126,324,547	117,285,304	9,421,467	68,317,391	1,947
Over $15 million	16	641,760,998	517,991,361	57,501,171	300,668,748	8,020
By Market:						
Dealer	36	346,846,180	340,162,701	32,342,736	169,513,087	5,666
Direct	31	492,251,603	420,987,762	38,307,388	226,184,155	6,793
Mixed	3	82,385,509	81,340,007	8,192,563	47,485,934	761
By Product:						
Continuous Custom:						
Dealer	10	116,336,992	115,891,956	11,971,769	66,166,148	1,899
Direct	3	56,430,681	53,667,741	17,125,085	23,189,236	429
Total	13	172,767,673	169,559,697	19,096,854	89,355,384	2,328
Unit Sets:						
Dealer	13	48,352,333	48,003,418	2,696,712	20,802,291	931
Direct	4	7,580,535	6,889,517	443,485	3,541,699	158
Total	17	55,932,868	54,892,935	3,140,197	24,343,990	1,089
Mixed:						
Dealer	12	150,630,575	145,183,784	16,205,325	68,382,332	2,695
Direct	22	400,994,016	334,002,458	30,043,938	184,961,218	5,904
Mixed	2	4,256,509	4,024,007	419,563	3,375,934	83
Total	36	555,881,100	483,210,249	46,668,826	255,719,484	8,682
Continuous Stock:						
Dealer	1	31,526,280	31,083,543	1,468,930	14,162,316	141
Direct	2	27,246,371	26,428,046	694,880	14,492,002	302
Mixed	1	78,129,000	77,326,000	7,773,000	45,110,000	678
Total	4	136,901,651	134,837,589	9,936,810	73,764,318	1,121
By Average Order Size:						
Under 10,000 impressions	14	127,006,771	125,437,959	9,263,662	69,351,395	1,895
10-25,000 impressions	39	352,676,403	335,159,782	31,752,878	149,325,958	6,356
25-50,000 impressions	10	127,281,936	123,422,119	9,634,997	63,363,270	1,661
50-100,000 impressions	6	184,263,639	175,505,887	13,667,021	93,831,496	1,967
Over 100,000 impressions	1	130,254,543	82,974,723	14,524,129	67,311,057	1,341

Average Number of Impressions Per Order	Average Total Sales Per Firm	Average Number of Employees Per Firm
Under 10,000	9,071,912	135
10-25,000	9,042,985	163
25-50,000	12,728,194	166
50-100,000	30,710,607	328
Over 100,000	50,000,000+	1,000+

Average Number of Impressions Per Order	Continuous Custom			Continuous Stock			Unit Sets			Other		
	Direct	Dealer	Total	Direct	Dealer	Total	Direct	Dealer	Total	Direct	Dealer	Total
Under 10,000	4.3	34.2	38.5	6.8	23.4	30.2	4.5	18.9	23.4	0.8	7.1	7.9
10-25,000	14.7	20.8	35.5	7.6	1.1	8.7	10.7	29.2	39.9	4.9	11.0	15.9
25-50,000	21.6	29.8	51.4	27.1	0.3	27.4	7.7	7.8	15.5	2.2	3.5	5.7
50-100,000	38.9	2.2	41.1	18.4	22.0	40.4	10.6	2.0	12.6	5.2	0.7	5.9
Over 100,000	*	*	*	*	*	*	*	*	*	*	*	*

Average Number of Impressions Per Order	TOTAL		
	Direct	Dealer	Total
Under 10,000	16.4	83.6	100.0
10-25,000	37.9	62.1	100.0
25-50,000	58.6	41.4	100.0
50-100,000	73.1	26.9	100.0
Over 100,000	*	*	*

*Insufficient Data

NOTES ON COMPUTING RATIOS

Gross plant investment is the total of all fixed assets before depreciation. Investment used to compute ROI is gross plant investment plus current assets.

Inventory turnover is expressed as times per year. It is total value of production divided by total inventories.

Days raw materials in inventory is computed by dividing raw materials inventory by total materials used divided by 365 days.

Collection days of receivables is computed by dividing accounts receivable by value of production divided by 365 days.

Cash flow ROI is computed by multiplying pretax net income by 50% and adding depreciation. Net losses are deducted from depreciation.

Other ratios are self-explanatory. See the chart of accounts for a description of items included in each account.

	I.B.F.I. ALL FIRMS	I.B.F.I. LEADERS
VALUE OF PRODUCTS MANUFACTURED	97.15	98.06
OUTSIDE PURCHASES	2.82	1.90
VALUE OF PRODUCTION	100.00	100.00
COST OF PRODUCTION		
MATERIALS		
PAPER	37.43	37.33
CARBON	6.76	7.48
OTHER	2.24	2.12
OUTSIDE FINISHED PRODUCT	2.72	1.39
TOTAL MATERIALS USED	49.14	48.32
FACTORY PAYROLL		
SUPERVISORY SALARIES	1.89	1.57
WAGES DIRECT		
PREPRESS	1.80	1.70
PRESS	4.80	4.53
COLLATOR OPERATORS	2.40	2.29
GENERAL BINDERY	1.18	1.22
TOTAL DIRECT WAGES	10.18	9.75
DIRECT OVERTIME WAGES	.63	.62
GENERAL FACTORY SALARIES AND WAGES	2.68	3.08
PACKING SHIPPING AND DELIVERY WAGES	.91	.72
PAYROLL TAXES	1.17	1.10
EMPLOYEE BENEFITS	1.61	1.67
TOTAL FACTORY PAYROLL	18.44	17.89
FACTORY FIXED EXPENSES		
OCCUPANCY EXPENSE	1.63	1.62
INSURANCE	.24	.23
TAXES	.38	.41
DEPRECIATION	2.06	1.88
TOTAL FACTORY FIXED EXPENSES	4.31	4.13
OTHER FACTORY SUPPLIES AND EXPENSE	3.96	3.63
TOTAL FACTORY EXPENSE	8.27	7.76
TOTAL COST OF PRODUCTION	75.86	73.97
GROSS PROFIT-FORMS MANUFACTURING	24.14	26.03
OTHER OPERATIONS		
VALUE OF OTHER PRODUCTS OR SERVICES	6.32	10.50
COST OF OTHER PRODUCTS OR SERVICES	4.91	8.15
GROSS PROFIT OTHER PRODUCTS OR SERVICES	1.41	2.35
TOTAL GROSS PROFIT	25.56	28.38

	I.B.F.I. ALL FIRMS	I.B.F.I. LEADERS
ADMINISTRATIVE EXPENSES		
EXECUTIVE SALARIES	1.16	1.12
OFFICE SALARIES	2.04	2.19
PAYROLL TAXES	.23	.20
EMPLOYEE BENEFITS	.49	.38
GENERAL OFFICE EXPENSE	2.42	2.27
BAD DEBTS	.16	.16
TOTAL ADMINISTRATIVE EXPENSE	6.50	6.31
SELLING EXPENSE		
EXECUTIVE SALARIES	.70	.65
SALESMEN SALARIES AND COMMISSIONS	3.92	3.54
SALES OFFICE CLERICAL SALARIES	.79	.77
PAYROLL TAXES	.27	.28
EMPLOYEE BENEFITS	.39	.43
TRAVEL AND ENTERTAINMENT EXPENSE	.65	.59
GENERAL SELLING EXPENSE	1.26	1.34
SHIPPING AND DELIVERY EXPENSE	.82	.72
ADVERTISING	.21	.19
TOTAL SELLING EXPENSE	9.00	8.51
TOTAL ADMINISTRATIVE AND SELLING COST	15.50	14.82
OPERATING INCOME(LOSS)	10.06	13.56
OTHER INCOME AND EXPENSE		
GROSS PROCEEDS FROM SALE OF SCRAP	.46	.31
OTHER INCOME	.68	.73
TOTAL OTHER INCOME	1.15	1.05
INTEREST EXPENSE	1.17	.46
OTHER EXPENSE	.74	.80
TOTAL OTHER EXPENSE	1.91	1.26
NET OTHER INCOME(EXPENSE)	.98-	.37-
NET INCOME(LOSS) BEFORE INCOME TAXES	9.08	13.19
RETURN ON INVESTMENT	15.02	21.22
NUMBER OF COMPANIES	70	33

	I.B.F.I. ALL FIRMS	I.B.F.I. LEADERS
CURRENT ASSETS		
CASH	3.31	3.90
NOTES AND ACCOUNTS RECEIVABLE	27.30	27.07
LESS ALLOWANCE FOR BAD DEBTS	.65	.67
NET RECEIVABLES	26.66	26.40
INVENTORIES		
RAW MATERIALS	12.12	11.26
FINISHED PRODUCTS	6.22	5.90
WORK IN PROCESS	2.07	1.86
OTHER INVENTORIES	.19	.21
TOTAL INVENTORIES	20.60	19.22
OTHER CURRENT ASSETS	1.93	1.96
TOTAL CURRENT ASSETS	52.50	51.47
FIXED ASSETS		
REAL ESTATE	14.05	14.37
LESS ALLOWANCE FOR DEPRECIATION	2.79	2.79
NET REAL ESTATE	11.26	11.58
MACHINERY AND EQUIPMENT	46.82	44.87
LESS ALLOWANCE FOR DEPRECIATION	23.47	23.14
NET MACHINERY AND EQUIPMENT	23.35	21.73
OTHER FIXED ASSETS	5.10	5.12
ALLOWANCE FOR DEPRECIATION	1.99	1.80
OTHER FIXED ASSETS	3.11	3.32
TOTAL FIXED ASSETS	37.72	36.63
OTHER ASSETS	9.78	11.90
TOTAL ASSETS	100.00	100.00
CURRENT LIABILITIES		
NOTES PAYABLE WITHIN ONE YEAR	4.30	1.11
ACCOUNTS PAYABLE	8.61	7.33
OTHER CURRENT LIABILITIES	6.93	7.34
TOTAL CURRENT LIABILITIES	19.84	15.78
LONG-TERM DEBT	18.57	10.69
OTHER LONG-TERM LIABILITIES	4.48	5.22
TOTAL LONG-TERM LIABILITIES	23.05	15.90
TOTAL LIABILITIES	42.89	31.68
TOTAL NET WORTH	57.11	68.32
TOTAL LIABILITIES AND NET WORTH	100.00	100.00

	I.B.F.I. ALL FIRMS	I.B.F.I. LEADERS
EMPLOYEES		
PERCENT FACTORY	72.08	73.73
PERCENT ADMINISTRATIVE	13.85	12.28
PERCENT SALES	14.07	13.99
PRODUCTIVITY		
SALES PER GROSS PLANT INVESTMENT	2.97	2.90
SALES PER FACTORY EMPLOYEE	91124	87486
SALES PER ADMINISTRATIVE EMPLOYEE	474234	525371
SALES PER SALES EMPLOYEE	466840	461079
SALES PER ALL EMPLOYEES	65682	64505
SALES LESS MATERIAL / FACTORY EMPLOYEE	46343	45210
FINANCIAL POSITION		
CURR ASSETS VS CURR LIABILITIES	2.65	3.26
LIABILITIES VS NET WORTH	.75	.46
DEBT VS EQUITY	.33	.16
PAYROLL		
PAYROLL PER FACTORY EMPLOYEE	14271	13228
PAYROLL PER ADMIN. EMPLOYEE	15143	17371
PAYROLL PER SALES EMPLOYEE	25235	22879
PAYROLL PER EMPLOYEE	15934	15087
PREPRESS % OF FACTORY PAYROLL	11.48	11.27
PRESS % OF FACTORY PAYROLL	30.65	29.96
COLLATOR OPERATOR % OF FACTORY PAYROLL	15.33	15.15
GENERAL BINDERY % OF FACTORY PAYROLL	7.51	8.10
OVERTIME WAGES % OF FACTORY PAYROLL	4.01	4.10
TOTAL PAYROLL % OF SALES	28.42	27.45
TAXES AND BENEFITS		
TAXES AND BENEFITS / FACTORY EMPLOYEE	2532	2422
TAXES AND BENEFITS / ADMIN. EMPLOYEE	3419	3043
TAXES AND BENEFITS / SALES EMPLOYEE	3072	3275
TAXES AND BENEFITS / EMPLOYEE	2731	2617
ASSET TURNOVER		
INVENTORY TURNOVER TIMES PER YEAR	9.51	9.70
DAYS RAW MATERIAL IN INVENTORY	45.96	45.61
COLLECTION DAYS OF RECEIVABLES	49.66	51.68
INVESTMENT		
NET WORTH % OF FIXED ASSETS	151.42	186.51
AVG GROSS PLANT INVESTMENT/FACT EMPLOY	30677	30201
PROFIT		
GROSS PROFIT % OF SALES	25.56	28.38
INCOME BEFORE TAX % OF SALES	9.08	13.19
PROFIT % OF NET WORTH	31.15	35.99
CASH FLOW (ROI)	10.92	13.64
RETURN ON INVESTMENT	15.02	21.22

III. RATIOS BY SIZE OF FIRM

Analyzing your operating ratios against companies of similar size or against other size categories can be very misleading unless consideration is given to differences in market channel and product specialization. Smaller companies tend to be more dealer oriented than large companies and larger companies tend to specialize more in continuous forms than small companies. As a general rule, value added will be lower the more a company sells through dealers and/or specializes in making continuous forms, especially long-run stock tab.

Smaller companies also tend to rely more on outside purchases than large companies. This raises material costs in relation to sales, but might also produce a lower ratio of factory payroll to sales.

Large companies enjoy lower fixed costs as a percent of sales than small companies because they can spread these costs over more dollars. Included in fixed costs are factory supervision; factory fixed expense, such as depreciation; other factory supplies and expenses; and administrative expenses.

Interest expense takes a bigger share of net operating income at small companies than at large companies. Higher interest expenses result from more reliance on debt as a source of capital. Small companies are also under capitalized compared to other larger companies.

Average Company Size

(Value of Forms Manufactured and Sold)

SMALL COMPANIES ($3 million or less)

Average company sales - $1,627,340
Smallest company sales - $679,591
Largest company sales - $2,994,052
Half of the companies had sales between $1,097,037 and $2,033,884
The median was $1,751,862

MEDIUM COMPANIES ($3-8 million)

Average company sales - $4,964,225
Smallest company sales - $3,103,260
Largest company sales - $7,830,000
Half of the companies had sales between $3,593,591 and $6,055,764
The median was $4,453,093

LARGE COMPANIES ($8-15 million)

Average company sales - $11,484,050
Smallest company sales - $9,230,582
Largest company sales - $14,774,744
Half of the companies had sales between $9,656,249 and $13,891,100
The median was $10,057,327

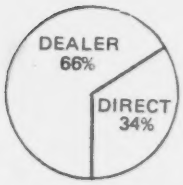
VERY LARGE COMPANIES (Over $15 million)

Average company sales - $40,110,062
Smallest company sales - $15,190,817
Largest company sales - $130,254,543
Half of the companies had sales between $17,041,000 and $34,594,108
The median was $25,941,481

Market Channel Specialization

Small Companies

1 of the 18 small companies is exclusively direct sales and 7 are exclusively dealer sales. The ratios for the small firm category are based on an overall market channel mix of 67% dealer and 33% direct sales.

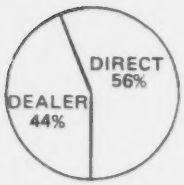


Medium Companies

2 of the 25 medium companies are exclusively direct sales and 9 are exclusively dealer sales. The ratios for the medium firm category are based on an overall market channel mix of 66% dealer and 34% direct sales.

Large Companies

3 of the 11 large companies are exclusively direct sales and 6 are exclusively dealer sales. The market channel mix reflected in tne ratios for this category is 48% direct and 52% dealer sales.



Very Large Companies

2 of the 16 largest companies are exclusively direct sales while 4 are exclusively dealer sales. The market channel mix reflected in the ratios for this category is 56% direct and 44% dealer sales. This dramatic change reflects sales dollar inflation rather than a move by the largest firms into dealer sales.

PRODUCT MIX FOR SMALL COMPANY CATEGORY

	% Direct	% Dealer	Total
Continuous Custom	8.0	16.2	24.2
Continuous Stock	0.1	0.1	0.2
Unit Sets	19.6	50.8	70.4
Other	5.0	0.2	5.2
TOTAL	32.7	67.3	100.0

PRODUCT MIX FOR MEDIUM COMPANY CATEGORY

	% Direct	% Dealer	Total
Continuous Custom	17.3	29.4	46.7
Continuous Stock	2.0	1.2	3.0
Unit Sets	12.3	35.1	47.4
Other	2.3	0.4	2.7
TOTAL	33.9	66.1	100.0

PRODUCT MIX FOR LARGE COMPANY CATEGORY

	% Direct	% Dealer	Total
Continuous Custom	22.2	32.7	54.9
Continuous Stock	11.4	1.6	13.0
Unit Sets	14.2	17.5	31.7
Other	0.4	-	0.4
TOTAL	48.2	51.8	100.0

PRODUCT MIX FOR VERY LARGE COMPANY CATEGORY

	% Direct	% Dealer	Total
Continuous Custom	21.9	13.2	35.1
Continuous Stock	22.8	11.9	34.7
Unit Sets	7.0	10.2	17.2
Other	4.2	8.8	13.0
TOTAL	55.9	44.1	100.0

	UNDER $3 MILLION		$3-8 MILLION		$8-15 MILLION		OVER $15 MILLION	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
VALUE OF PRODUCTS MANUFACTURED	96.21	92.88	96.05	98.19	94.93	96.08	97.90	98.49
OUTSIDE PURCHASES	3.79	7.12	3.95	1.81	5.07	3.92	2.07	1.46
VALUE OF PRODUCTION	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
COST OF PRODUCTION								
MATERIALS								
PAPER	29.42	25.78	30.09	30.84	34.56	31.68	39.96	39.70
CARBON	6.84	6.10	6.53	6.91	6.81	5.97	6.79	7.85
OTHER	2.99	2.04	2.40	2.69	3.35	3.48	1.93	1.82
OUTSIDE FINISHED PRO[illegible]	1.96	2.64	3.14	1.39	3.92	3.33	2.41	1.06
TOTAL MATERIALS USED	41.20	36.56	42.15	41.82	48.64	44.46	51.10	50.42
FACTORY PAYROLL								
SUPERVISORY SALARIES	2.96	2.64	2.87	2.71	2.04	2.02	1.61	1.26
WAGES DIRECT								
PREPRESS	2.48	2.73	2.47	2.08	2.12	2.68	1.56	1.46
PRESS	6.31	5.50	5.79	5.33	5.61	6.49	4.35	4.06
COLLATOR OPERATORS	3.43	3.46	3.27	3.04	3.55	3.53	1.93	1.93
GENERAL BINDERY	2.22	2.32	1.45	1.88	1.09	1.24	1.09	1.07
TOTAL DIRECT WAGES	14.44	14.00	12.97	12.34	12.37	13.95	8.92	8.52
DIRECT OVERTIME WAGES	.88	.33	.61	.48	.65	.83	.62	.62
GENERAL FACTORY SALARIES AND WAGES	2.14	1.52	2.46	2.55	2.41	2.49	2.81	3.31
PACKING SHIPPING AND DELIVERY WAGES	.98	.80	.77	.61	.80	.57	.97	.77
PAYROLL TAXES	1.58	1.29	1.43	1.43	1.23	1.18	1.08	1.03
EMPLOYEE BENEFITS	1.35	1.45	2.02	2.02	1.67	1.56	1.53	1.62
TOTAL FACTORY PAYROLL	23.46	21.71	22.52	21.66	20.52	21.78	16.91	16.51
FACTORY FIXED EXPENSES								
OCCUPANCY EXPENSE	2.91	3.21	2.09	1.92	1.69	1.78	1.46	1.50
INSURANCE	.45	.43	.36	.42	.24	.29	.21	.18
TAXES	.41	.31	.43	.39	.21	.24	.40	.44
DEPRECIATION	2.99	3.50	2.94	2.84	2.44	2.61	1.75	1.55
TOTAL FACTORY FIXED EXPENSES	6.76	7.45	5.82	5.57	4.57	4.92	3.82	3.66
OTHER FACTORY SUPPLIES AND EXPENSE	4.22	4.09	5.90	6.22	4.11	3.72	3.51	3.13
TOTAL FACTORY EXPENSE	10.97	11.54	11.71	11.79	8.68	8.64	7.34	6.79
TOTAL COST OF PRODUCTION	75.63	69.81	76.38	75.27	77.84	74.88	75.34	73.72
GROSS PROFIT-FORMS MANUFACTURING	24.37	30.19	23.62	24.73	22.16	25.12	24.66	26.28
OTHER OPERATIONS								
VALUE OF OTHER PRODUCTS OR SERVICES	2.10	5.57	.02		2.57	2.71	8.63	13.72
COST OF OTHER PRODUCTS OR SERVICES	1.65	4.22			1.73	1.60	6.76	10.73
GROSS PROFIT OTHER PRODUCTS OR SERVICES	.45	1.35	.02		.83	1.11	1.88	2.99
TOTAL GROSS PROFIT	24.82	31.54	23.64	24.73	22.99	26.23	26.53	29.28

	UNDER $3 MILLION		$3-8 MILLION		$8-15 MILLION		OVER $15 MILLION	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
ADMINISTRATIVE EXPENSES								
EXECUTIVE SALARIES	2.97	3.40	2.27	2.44	1.37	1.36	.79	.78
OFFICE SALARIES	2.46	2.13	1.66	1.30	1.38	1.02	2.23	2.53
PAYROLL TAXES	.33	.27	.21	.19	.17	.15	.24	.21
EMPLOYEE BENEFITS	.42	.48	.50	.44	.55	.54	.48	.34
GENERAL OFFICE EXPENSE	2.92	2.68	2.27	1.54	2.76	3.02	2.36	2.27
BAD DEBTS	.14	.12	.16	.11	.13	.15	.16	.17
TOTAL ADMINISTRATIVE EXPENSE	9.25	9.08	7.08	6.02	6.35	6.24	6.27	6.30
SELLING EXPENSE								
EXECUTIVE SALARIES	1.29	1.70	.95	.72	.75	.56	.60	.63
SALESMEN SALARIES AND COMMISSIONS	2.07	1.69	3.06	1.88	3.99	3.49	4.17	3.90
SALES OFFICE CLERICAL SALARIES	.90	1.09	.91	.95	1.21	1.25	.67	.65
PAYROLL TAXES	.20	.26	.25	.20	.27	.20	.28	.31
EMPLOYEE BENEFITS	.16	.22	.36	.28	.31	.22	.42	.50
TRAVEL AND ENTERTAINMENT EXPENSE	.55	.39	.45	.37	.41	.36	.75	.66
GENERAL SELLING EXPENSE	1.30	1.20	1.04	1.12	1.13	.93	1.33	1.45
SHIPPING AND DELIVERY EXPENSE	.89	.92	.64	.54	.89	1.14	.84	.68
ADVERTISING	.40	.50	.29	.34	.19	.17	.19	.15
TOTAL SELLING EXPENSE	7.77	7.98	7.96	6.40	9.16	8.31	9.25	8.93
TOTAL ADMINISTRATIVE AND SELLING COST	17.02	17.06	15.04	12.42	15.51	14.55	15.52	15.23
OPERATING INCOME(LOSS)	7.81	14.48	8.60	12.31	7.48	11.68	11.01	14.05
OTHER INCOME AND EXPENSE								
GROSS PROCEEDS FROM SALE OF SCRAP	.70	1.63	.47	.50	.74	.55	.39	.21
OTHER INCOME	.54	.35	1.22	1.52	.89	.98	.54	.56
TOTAL OTHER INCOME	1.24	1.97	1.68	2.01	1.63	1.53	.93	.77
INTEREST EXPENSE	1.45	.09	.95	.93	1.01	.50	1.24	.38
OTHER EXPENSE	.13	.13	.94	.80	.01-	.15	.88	.91
TOTAL OTHER EXPENSE	1.59	.22	1.89	1.73	1.00	.65	2.12	1.29
NET OTHER INCOME(EXPENSE)	1.44-	.45	.48-	.16	.15	.88	1.29-	.08-
NET INCOME(LOSS) BEFORE INCOME TAXES	6.36	14.93	8.12	12.46	7.63	12.56	9.72	13.36
RETURN ON INVESTMENT	9.67	20.66	12.88	20.14	11.77	18.28	16.54	21.95
NUMBER OF COMPANIES	18	6	25	13	11	5	16	9

	UNDER $3 MILLION		$3-8 MILLION		$8-15 MILLION		OVER $15 MILLION	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
CURRENT ASSETS								
CASH	6.29	12.39	7.69	10.93	1.83	3.05	2.63	2.69
NOTES AND ACCOUNTS RECEIVABLE	25.34	25.35	23.89	23.34	27.91	29.45	27.94	27.35
LESS ALLOWANCE FOR BAD DEBTS	.33	.39	.68	.62	.68	.95	.65	.64
NET RECEIVABLES	25.02	24.96	23.20	22.72	27.23	28.50	27.30	26.70
INVENTORIES								
RAW MATERIALS	17.50	14.58	14.24	14.93	12.08	15.05	11.46	10.01
FINISHED PRODUCTS	.88	1.01	2.59	1.39	3.84	2.32	7.74	7.28
WORK IN PROCESS	1.84	1.43	2.28	2.53	1.90	1.69	2.07	1.79
OTHER INVENTORIES	.15	.14	.38	.59	.70	1.22	.04	
TOTAL INVENTORIES	20.37	17.17	19.50	19.43	18.52	20.28	21.31	19.08
OTHER CURRENT ASSETS	1.65	.50	1.69	1.62	2.88	4.55	1.78	1.65
TOTAL CURRENT ASSETS	53.33	55.02	52.08	54.69	50.46	56.37	53.01	50.13
FIXED ASSETS								
REAL ESTATE	8.35	7.50	13.87	14.94	13.69	12.38	14.42	14.77
LESS ALLOWANCE FOR DEPRECIATION	2.20	1.97	3.11	3.92	2.17	1.27	2.89	2.87
NET REAL ESTATE	6.15	5.53	10.76	11.02	11.52	11.11	11.54	11.90	
MACHINERY AND EQUIPMENT	73.70	76.02	58.62	54.65	48.05	54.85	42.93	40.99
LESS ALLOWANCE FOR DEPRECIATION	39.50	47.31	31.70	31.46	22.59	23.79	21.27	21.08
NET MACHINERY AND EQUIPMENT	34.20	28.71	26.92	23.19	25.46	31.06	21.66	19.90
OTHER FIXED ASSETS	2.44	2.34	5.03	4.35	4.98	4.04	5.26	5.48
LESS ALLOWANCE FOR DEPRECIATION	1.40	1.39	2.26	2.00	2.68	2.68	1.81	1.65
NET OTHER FIXED ASSETS	1.04	.95	2.77	2.35	2.31	1.35	3.45	3.83
TOTAL FIXED ASSETS	41.40	35.19	40.45	36.56	39.29	43.52	36.65	35.63
OTHER ASSETS	5.28	9.80	7.47	8.74	10.25	.11	10.35	14.24
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
CURRENT LIABILITIES								
NOTES PAYABLE WITHIN ONE YEAR	10.46	4.75	3.93	4.60	4.89	.71	3.96	.52
ACCOUNTS PAYABLE	9.85	6.37	8.68	8.35	9.44	7.85	8.35	7.11
OTHER CURRENT LIABILITIES	5.63	5.10	8.06	9.37	5.43	5.18	7.10	7.40
TOTAL CURRENT LIABILITIES	25.94	16.22	20.68	22.33	19.75	13.75	19.40	15.04
LONG-TERM DEBT	26.13	22.10	16.83	11.56	27.11	17.15	16.63	9.27
OTHER LONG-TERM LIABILITIES	3.93	1.01	2.45	2.98	5.59	2.85	4.66	6.04
TOTAL LONG-TERM LIABILITIES	30.06	23.12	19.28	14.54	32.70	20.00	21.29	15.31
TOTAL LIABILITIES	56.00	39.34	39.96	36.87	52.45	33.75	40.69	30.35
TOTAL NET WORTH	44.00	60.66	60.04	63.13	47.55	66.25	59.31	69.65
TOTAL LIABILITIES AND NET WORTH	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

	UNDER $3 MILLION		$3-8 MILLION		$8-15 MILLION		OVER $15 MILLION	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
EMPLOYEES								
PERCENT FACTORY	74.24	76.15	75.34	77.40	75.55	77.32	70.00	71.80
PERCENT ADMINISTRATIVE	17.49	16.51	11.24	9.23	12.02	9.40	14.86	13.60
PERCENT SALES	8.27	7.34	13.41	13.37	12.43	13.28	15.14	14.60
PRODUCTIVITY								
SALES PER GROSS PLANT INVESTMENT	2.48	2.27	2.65	2.81	2.71	2.61	3.14	2.99
SALES PER FACTORY EMPLOYEE	62264	62299	62690	53549	83937	79464	105421	101870
SALES PER ADMINISTRATIVE EMPLOYEE	264341	287269	420132	449240	527660	653982	496505	538036
SALES PER SALES EMPLOYEE	559184	646357	352099	309892	510217	462572	487508	500955
SALES PER ALL EMPLOYEES	46228	47439	47232	41446	63416	61443	73794	73146
SALES LESS MATERIAL / FACTORY EMPLOYEE	36612	39521	36265	31154	43106	44134	51549	50509
FINANCIAL POSITION								
CURR ASSETS VS CURR LIABILITIES	2.06	3.39	2.32	2.45	2.55	4.10	2.73	3.33
LIABILITIES VS NET WORTH	1.27	.65	.67	.58	1.10	.51	.69	.44
DEBT VS EQUITY	.59	.36	.28	.18	.57	.26	.28	.13
PAYROLL								
PAYROLL PER FACTORY EMPLOYEE	12781	11812	11950	9750	14790	15127	15075	14113
PAYROLL PER ADMIN. EMPLOYEE	14367	15876	16534	16807	14498	15596	14997	17795
PAYROLL PER SALES EMPLOYEE	23842	29021	17324	10987	30373	24484	26565	25950
PAYROLL PER EMPLOYEE	13973	13746	13187	10566	16692	16414	16803	16342
PREPRESS % OF FACTORY PAYROLL	12.08	14.40	12.96	11.45	12.04	14.10	10.89	10.51
PRESS % OF FACTORY PAYROLL	30.76	28.99	30.35	29.27	31.84	34.11	30.41	29.29
COLLATOR OPERATOR % OF FACTORY PAYROLL	16.72	18.24	17.15	16.70	20.16	18.56	13.48	13.94
GENERAL BINDERY % OF FACTORY PAYROLL	10.81	12.23	7.59	10.33	6.19	6.53	7.60	7.74
OVERTIME WAGES % OF FACTORY PAYROLL	4.28	1.72	3.20	2.65	3.68	4.35	4.30	4.48
TOTAL PAYROLL % OF SALES	34.28	32.96	32.69	30.06	30.51	30.57	26.80	26.34
TAXES AND BENEFITS								
TAXES AND BENEFITS / FACTORY EMPLOYEE	1824	1710	2164	1845	2403	2177	2746	2700
TAXES AND BENEFITS / ADMIN. EMPLOYEE	1991	2148	2981	2839	3776	4522	3590	2947
TAXES AND BENEFITS / SALES EMPLOYEE	2061	3135	2151	1491	2942	1951	3408	4019
TAXES AND BENEFITS / EMPLOYEE	1873	1886	2254	1890	2658	2367	2972	2926
ASSET TURNOVER								
INVENTORY TURNOVER TIMES PER YEAR	10.28	11.35	10.54	10.70	9.76	9.16	9.24	9.59
DAYS RAW MATERIAL IN INVENTORY	74.02	74.68	60.00	62.65	50.15	66.51	41.59	39.64
COLLECTION DAYS OF RECEIVABLES	43.58	46.73	41.21	39.89	54.99	55.99	50.61	53.29
INVESTMENT								
NET WORTH % OF FIXED ASSETS	106.30	172.41	148.44	172.66	121.02	152.24	161.83	195.46
AVG GROSS PLANT INVESTMENT/FACT EMPLOY	25112	27440	23652	19043	30989	30487	33533	34103
PROFIT								
GROSS PROFIT % OF SALES	24.82	31.54	23.64	24.73	22.99	26.23	26.53	29.28
INCOME BEFORE TAX % OF SALES	6.36	14.93	8.12	12.46	7.63	12.56	9.72	13.36
PROFIT % OF NET WORTH	30.29	47.98	27.80	41.04	29.01	35.22	32.25	35.09
CASH FLOW (ROI)	9.39	15.17	11.10	14.66	9.64	12.93	11.25	13.52
RETURN ON INVESTMENT	9.67	20.66	12.88	20.14	11.77	18.28	16.54	21.95

IV. RATIOS BY PRODUCT AND MARKET CHANNEL

	CONSUMER		CONSUMER CONTINUOUS CUSTOM		CONSUMER UNIT SETS		CONSUMER MIXED PRODUCT	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
VALUE OF PRODUCTS MANUFACTURED	94.93	96.12	95.41	95.41	92.61	89.97	94.74	96.60
OUTSIDE PURCHASES	5.02	3.78	4.22	4.22	7.39	10.03	5.26	3.40
VALUE OF PRODUCTION	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
COST OF PRODUCTION								
MATERIALS								
PAPER	37.86	38.81	45.23	45.23	22.71	22.32	35.91	37.08
CARBON	5.79	6.46	6.89	6.89	5.29	5.67	6.02	6.33
OTHER	2.57	2.99	2.88	2.88	2.22	2.59	2.58	3.05
OUTSIDE FINISHED PRODUCT	3.60	2.64	3.70	3.70	5.85	7.37	3.63	2.09
TOTAL MATERIALS USED	49.83	50.90	58.71	58.71	36.08	37.95	48.15	48.55
FACTORY PAYROLL								
SUPERVISORY SALARIES	1.86	1.30	.79	.79	3.37	3.50	2.05	1.40
WAGES DIRECT								
PREPRESS	1.73	1.48	.73	.73	2.00	1.83	1.92	1.74
PRESS	4.37	3.97	2.82	2.82	5.78	5.07	4.70	4.34
COLLATOR OPERATORS	2.00	1.79	1.38	1.38	3.21	3.17	2.21	1.89
GENERAL BINDERY	.93	.75	.79	.79	2.24	1.98	.99	.69
TOTAL DIRECT WAGES	9.03	7.99	5.72	5.72	13.23	12.05	9.83	8.66
DIRECT OVERTIME WAGES	.67	.66	.21	.21	1.02	.89	.77	.81
GENERAL FACTORY SALARIES AND WAGES	2.25	2.50	1.60	1.60	2.12	1.84	2.35	2.84
PACKING SHIPPING AND DELIVERY WAGES	1.18	.93	.64	.64	1.49	1.06	1.20	1.03
PAYROLL TAXES	1.07	.91	.70	.70	1.70	1.36	1.14	.97
EMPLOYEE BENEFITS	1.25	1.12	1.07	1.07	1.55	1.73	1.31	1.11
TOTAL FACTORY PAYROLL	16.63	14.75	10.52	10.52	23.46	21.53	17.87	16.03
FACTORY FIXED EXPENSES								
OCCUPANCY EXPENSE	1.35	1.30	1.67	1.67	4.31	2.06	1.24	1.14
INSURANCE	.24	.24	.15	.15	.52	.24	.26	.28
TAXES	.37	.39	.26	.26	.74	.31	.39	.44
DEPRECIATION	1.84	1.83	1.03	1.03	1.55	1.42	1.96	2.14
TOTAL FACTORY FIXED EXPENSES	3.80	3.77	3.11	3.11	7.12	4.02	3.86	3.99
OTHER FACTORY SUPPLIES AND EXPENSE	3.82	3.22	2.92	2.92	3.14	3.29	4.12	3.33
TOTAL FACTORY EXPENSE	7.62	6.99	6.03	6.03	10.26	7.32	7.98	7.32
TOTAL COST OF PRODUCTION	74.08	72.64	75.26	75.26	69.80	66.80	74.00	71.90
GROSS PROFIT-FORMS MANUFACTURING	25.92	27.36	24.74	24.74	30.20	33.20	26.00	28.10
OTHER OPERATIONS								
VALUE OF OTHER PRODUCTS OR SERVICES	11.12	22.24			1.96	2.69	13.90	30.93
COST OF OTHER PRODUCTS OR SERVICES	8.84	17.71			1.43	1.94	11.06	24.64
GROSS PROFIT OTHER PRODUCTS OR SERVICES	2.28	4.53			.55	.75	2.85	6.29
TOTAL GROSS PROFIT	28.20	31.89	24.74	24.74	30.76	33.95	28.85	34.39

	CONSUMER		CONSUMER CONTINUOUS CUSTOM		CONSUMER UNIT SETS		CONSUMER MIXED PRODUCT	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
ADMINISTRATIVE EXPENSES								
EXECUTIVE SALARIES	1.12	1.14	1.28	1.28	3.55	3.09	1.00	1.03
OFFICE SALARIES	2.11	2.24	.65	.65	2.68	2.78	2.29	2.79
PAYROLL TAXES	.26	.20	.10	.10	.31	.30	.28	.23
EMPLOYEE BENEFITS	.56	.25	.12	.12	.57	.44	.66	.29
GENERAL OFFICE EXPENSE	2.65	2.55	1.50	1.50	3.62	2.66	2.78	2.93
BAD DEBTS	.16	.16	.20	.20	.27	.36	.16	.13
TOTAL ADMINISTRATIVE EXPENSE	6.87	6.55	3.86	3.86	11.00	9.63	7.16	7.40
SELLING EXPENSE								
EXECUTIVE SALARIES	.72	.60	.38	.38	1.38	1.23	.71	.65
SALESMEN SALARIES AND COMMISSIONS	6.36	6.15	3.53	3.53	7.74	7.69	6.80	7.04
SALES OFFICE CLERICAL SALARIES	.59	.33	.48	.48	.94	.66	.58	.27
PAYROLL TAXES	.34	.36	.25	.25	.41	.44	.35	.40
EMPLOYEE BENEFITS	.49	.56	.32	.32	.37	.45	.51	.65
TRAVEL AND ENTERTAINMENT EXPENSE	.88	.83	.38	.38	.25	.18	.87	1.01
GENERAL SELLING EXPENSE	1.35	1.22	1.55	1.55	.87	.48	1.27	1.12
SHIPPING AND DELIVERY EXPENSE	.84	.63	.95	.95	1.03	1.17	.91	.50
ADVERTISING	.19	.14	.24	.24	.57	.77	.15	.09
TOTAL SELLING EXPENSE	11.74	10.82	8.08	8.08	13.57	13.09	12.14	11.73
TOTAL ADMINISTRATIVE AND SELLING COST	18.61	17.37	11.95	11.95	24.57	22.72	19.30	19.13
OPERATING INCOME(LOSS)	9.59	14.52	12.79	12.79	6.19	11.23	9.55	15.26
OTHER INCOME AND EXPENSE								
GROSS PROCEEDS FROM SALE OF SCRAP	.45	.21	.39	.39	.35	.26	.45	.14
OTHER INCOME	.59	.59	.54	.54	1.28	.81	.60	.60
TOTAL OTHER INCOME	1.04	.80	.93	.93	1.63	1.06	1.05	.74
INTEREST EXPENSE	1.46	.53	.81	.81	1.47	.79	1.51	.42
OTHER EXPENSE	.33	.05	.03	.03	.33	.45	.34	.04
TOTAL OTHER EXPENSE	1.79	.58	.83	.83	1.80	1.24	1.85	.47
NET OTHER INCOME(EXPENSE)	.97-	.16	.09	.09	.17-	.18-	1.06-	.19
NET INCOME(LOSS) BEFORE INCOME TAXES	8.62	14.68	12.89	12.89	6.02	11.05	8.48	15.45
RETURN ON INVESTMENT	14.08	21.98	24.35	24.35	9.09	18.44	13.60	21.46
NUMBER OF COMPANIES	31	14	3	3	4	3	22	8

	CONSUMER		CONSUMER CONTINUOUS CUSTOM		CONSUMER UNIT SETS		CONSUMER MIXED PRODUCT	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
CURRENT ASSETS								
CASH	1.05	1.11	.97	.97	13.08	16.81	.81	.69
NOTES AND ACCOUNTS RECEIVABLE	30.98	30.72	35.98	35.98	27.42	24.89	30.65	29.60
LESS ALLOWANCE FOR BAD DEBTS	.63	.57	.89	.89	1.42	1.77	.58	.46
NET RECEIVABLES	30.35	30.15	35.09	35.09	26.00	23.12	30.07	29.14
INVENTORIES								
RAW MATERIALS	11.68	10.76	17.22	17.22	14.55	12.78	10.71	9.12
FINISHED PRODUCTS	8.77	8.76	10.27	10.27	2.78	1.99	8.61	8.58
WORK IN PROCESS	2.12	1.59	1.53	1.53	3.03	2.68	2.33	1.58
OTHER INVENTORIES	.05	.02			.68	.89		
TOTAL INVENTORIES	22.62	21.13	29.02	29.02	21.04	18.34	21.65	19.28
OTHER CURRENT ASSETS	1.97	1.64	.27	.27	2.16	1.41	2.26	1.67
TOTAL CURRENT ASSETS	55.99	54.03	65.35	65.35	62.28	59.68	54.79	51.09
FIXED ASSETS								
REAL ESTATE	14.81	15.33	9.45	9.45	9.00	11.80	15.48	16.87
LESS ALLOWANCE FOR DEPRECIATION	2.18	2.11	3.19	3.19	4.25	5.58	2.05	1.74
NET REAL ESTATE	12.64	13.22	6.26	6.26	4.74	6.22	13.42	15.13
MACHINERY AND EQUIPMENT	43.60	42.71	37.78	37.78	62.47	43.87	44.40	43.88
LESS ALLOWANCE FOR DEPRECIATION	19.85	19.25	21.69	21.69	44.03	28.64	19.31	18.38
NET MACHINERY AND EQUIPMENT	23.76	23.45	16.09	16.09	18.44	15.23	25.10	25.50
OTHER FIXED ASSETS	5.90	6.84	13.62	13.62	4.00	5.24	4.74	5.22
LESS ALLOWANCE FOR DEPRECIATION	2.11	2.22	1.66	1.66	2.74	3.59	2.07	2.32
NET OTHER FIXED ASSETS	3.78	4.61	11.97	11.97	1.26	1.65	2.68	2.90
TOTAL FIXED ASSETS	40.18	41.29	34.32	34.32	24.44	23.10	41.20	43.52
OTHER ASSETS	3.83	4.68	.34	.34	13.28	17.22	4.02	5.39
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
CURRENT LIABILITIES								
NOTES PAYABLE WITHIN ONE YEAR	5.57	.87	2.54	2.54	9.52	3.13	4.95	.40
ACCOUNTS PAYABLE	9.23	7.94	6.93	6.93	10.31	2.96	8.81	8.33
OTHER CURRENT LIABILITIES	7.65	8.57	15.55	15.55	10.75	9.82	6.93	6.83
TOTAL CURRENT LIABILITIES	22.45	17.38	25.02	25.02	30.57	15.90	20.70	15.55
LONG-TERM DEBT	18.52	9.97	5.17	5.17	19.69	19.44	19.41	10.88
OTHER LONG-TERM LIABILITIES	7.08	9.98	10.17	10.17	1.46	.55	7.26	10.20
TOTAL LONG-TERM LIABILITIES	25.60	19.95	15.34	15.34	21.15	19.99	26.67	21.08
TOTAL LIABILITIES	48.05	37.33	40.36	40.36	51.72	35.89	47.37	36.63
TOTAL NET WORTH	51.95	62.67	59.64	59.64	48.28	64.11	52.63	63.37
TOTAL LIABILITIES AND NET WORTH	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

	CONSUMER		CONSUMER CONTINUOUS CUSTOM		CONSUMER UNIT SETS		CONSUMER MIXED PRODUCT	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
EMPLOYEES								
PERCENT FACTORY	67.98	70.88	67.83	67.83	65.82	68.18	68.56	71.45
PERCENT ADMINISTRATIVE	14.79	12.70	13.52	13.52	20.25	19.09	14.55	12.32
PERCENT SALES	17.22	16.43	18.65	18.65	13.92	12.73	16.89	16.23
PRODUCTIVITY								
SALES PER GROSS PLANT INVESTMENT	3.05	2.74	3.92	3.92	2.76	3.30	2.96	2.46
SALES PER FACTORY EMPLOYEE	96198	91039	189982	189982	70875	72445	87485	77271
SALES PER ADMINISTRATIVE EMPLOYEE	442036	508268	953185	953185	230344	258733	412271	448312
SALES PER SALES EMPLOYEE	379698	392837	691059	691059.	335046	388100	355206	340201
SALES PER ALL EMPLOYEES	65397	64527	128868	128868	46652	49394	59983	55214
SALES LESS MATERIAL / FACTORY EMPLOYEE	48264	44699	78434	78434	45304	44954	45365	39757
FINANCIAL POSITION								
CURR ASSETS VS CURR LIABILITIES	2.49	3.11	2.61	2.61	2.04	3.75	2.65	3.28
LIABILITIES VS NET WORTH	.93	.60	.68	.68	1.07	.56	.90	.58
DEBT VS EQUITY	.36	.16	.09	.09	.41	.30	.37	.17
PAYROLL								
PAYROLL PER FACTORY EMPLOYEE	13772	11576	16602	16602	14322	13362	13497	10774
PAYROLL PER ADMIN. EMPLOYEE	14277	17207	18393	18393	14356	15188	13533	17131
PAYROLL PER SALES EMPLOYEE	29111	27829	30377	30377	33732	37208	28713	27087
PAYROLL PER EMPLOYEE	16489	14961	19413	19413	17031	16746	16072	14204
PREPRESS % OF FACTORY PAYROLL	12.08	11.66	8.36	8.36	9.90	9.91	12.46	12.49
PRESS % OF FACTORY PAYROLL	30.54	31.22	32.31	32.31	28.62	27.49	30.46	31.15
COLLATOR OPERATOR % OF FACTORY PAYROLL	13.98	14.07	15.77	15.77	15.89	17.21	14.35	13.54
GENERAL BINDERY % OF FACTORY PAYROLL	6.49	5.89	9.02	9.02	11.08	10.71	6.45	4.97
OVERTIME WAGES % OF FACTORY PAYROLL	4.71	5.15	2.39	2.39	5.07	4.84	4.97	5.79
TOTAL PAYROLL % OF SALES	29.18	26.59	17.64	17.64	41.41	38.62	31.04	29.38
TAXES AND BENEFITS								
TAXES AND BENEFITS / FACTORY EMPLOYEE	2226	1849	3377	3377	2301	2236	2139	1611
TAXES AND BENEFITS / ADMIN. EMPLOYEE	3642	2295	2167	2167	2021	1911	3875	2341
TAXES AND BENEFITS / SALES EMPLOYEE	3145	3609	3906	3906	2615	3469	3050	3560
TAXES AND BENEFITS / EMPLOYEE	2594	2195	3312	3312	2288	2331	2545	2017
ASSET TURNOVER								
INVENTORY TURNOVER TIMES PER YEAR	8.68	8.43	8.21	8.21	9.89	10.97	8.85	8.43
DAYS RAW MATERIAL IN INVENTORY	43.55	43.33	44.90	44.90	70.71	61.08	42.40	42.16
COLLECTION DAYS OF RECEIVABLES	56.41	61.81	53.72	53.72	45.60	41.95	57.32	65.41
INVESTMENT								
NET WORTH % OF FIXED ASSETS	129.29	151.77	173.79	173.79	197.51	277.52	127.76	145.61
AVG GROSS PLANT INVESTMENT/FACT EMPLOY	31499	33169	48491	48491	25698	21933	29528	31352
PROFIT								
GROSS PROFIT % OF SALES	28.20	31.89	24.74	24.74	30.76	33.95	28.85	34.39
INCOME BEFORE TAX % OF SALES	8.62	14.68	12.89	12.89	8.02	11.05	8.48	15.45
PROFIT % OF NET WORTH	32.60	41.70	51.52	51.52	25.94	34.68	30.86	39.64
CASH FLOW (ROI)	10.04	13.74	14.12	14.12	6.89	11.58	9.94	13.70
RETURN ON INVESTMENT	14.08	21.98	24.35	24.35	9.09	18.44	13.60	21.46

	DEALER		DEALER CONTINUOUS CUSTOM		DEALER UNIT SETS		DEALER MIXED PRODUCT	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
VALUE OF PRODUCTS MANUFACTURED	99.66	99.68	99.62	99.49	99.29	98.84	99.90	100.00
OUTSIDE PURCHASES	.34	.32	.38	.51	.71	1.16	.10	
VALUE OF PRODUCTION	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
COST OF PRODUCTION								
MATERIALS								
PAPER	33.64	30.44	32.82	31.53	34.50	31.38	31.02	29.32
CARBON	7.76	8.36	4.98	4.58	8.92	9.34	9.87	11.43
OTHER	1.92	1.41	3.07	2.91	2.19	1.09	.93	.18
OUTSIDE FINISHED PRODUCT	2.02	.38	.50	.65	.72	1.15	.09	
TOTAL MATERIALS USED	45.35	40.59	41.36	39.66	46.33	42.96	41.92	40.93
FACTORY PAYROLL								
SUPERVISORY SALARIES	2.30	2.31	2.47	2.54	2.29	2.46	2.48	2.09
WAGES DIRECT								
PREPRESS	2.23	2.44	2.83	3.00	2.38	2.18	2.14	2.02
PRESS	6.06	6.17	7.09	7.00	6.28	5.38	5.90	5.62
COLLATOR OPERATORS	3.26	3.31	4.44	4.41	3.83	3.42	2.85	2.35
GENERAL BINDERY	1.65	1.97	1.38	1.57	2.24	2.45	2.00	2.23
TOTAL DIRECT WAGES	13.19	13.91	15.74	15.97	14.72	13.43	12.89	12.22
DIRECT OVERTIME WAGES	.67	.74	.52	.57	.54	.49	.88	.94
GENERAL FACTORY SALARIES AND WAGES	2.90	3.27	2.56	2.24	2.41	2.44	3.81	4.32
PACKING SHIPPING AND DELIVERY WAGES	.50	.33	.62	.58	.81	.62	.30	.06
PAYROLL TAXES	1.43	1.47	1.51	1.54	1.63	1.36	1.51	1.44
EMPLOYEE BENEFITS	2.30	2.59	1.90	2.02	2.04	1.65	2.92	3.27
TOTAL FACTORY PAYROLL	22.62	23.89	24.81	24.89	23.90	21.96	23.92	23.40
FACTORY FIXED EXPENSES								
OCCUPANCY EXPENSE	1.99	1.93	2.03	1.82	1.77	1.89	2.07	2.03
INSURANCE	.26	.23	.35	.26	.25	.32	.22	.19
TAXES	.37	.41	.29	.32	.32	.55	.48	.47
DEPRECIATION	2.62	2.29	3.70	2.81	2.66	2.68	2.10	1.78
TOTAL FACTORY FIXED EXPENSES	5.24	4.87	6.38	5.22	5.01	5.43	4.86	4.47
OTHER FACTORY SUPPLIES AND EXPENSE	4.19	3.96	4.91	4.70	6.68	8.28	3.46	2.48
TOTAL FACTORY EXPENSE	9.43	8.83	11.29	9.92	11.68	13.71	8.32	6.94
TOTAL COST OF PRODUCTION	77.39	73.32	77.46	74.48	81.91	78.63	74.16	71.28
GROSS PROFIT-FORMS MANUFACTURING	22.61	26.68	22.54	25.52	18.09	21.37	25.84	28.72
OTHER OPERATIONS								
VALUE OF OTHER PRODUCTS OR SERVICES	1.41	2.52					3.64	5.19
COST OF OTHER PRODUCTS OR SERVICES	.98	1.50					2.16	3.08
GROSS PROFIT OTHER PRODUCTS OR SERVICES	.63	1.02					1.49	2.11
TOTAL GROSS PROFIT	23.24	27.71	22.54	25.52	18.09	21.37	27.33	30.83

	DEALER		DEALER CONTINUOUS CUSTOM		DEALER UNIT SETS		DEALER MIXED PRODUCT	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
ADMINISTRATIVE EXPENSES								
EXECUTIVE SALARIES	1.39	1.40	1.73	1.97	1.92	2.33	.98	.73
OFFICE SALARIES	2.19	2.61	1.90	2.10	2.08	1.59	2.72	3.25
PAYROLL TAXES	.22	.24	.21	.24	.26	.22	.23	.25
EMPLOYEE BENEFITS	.48	.59	.42	.50	.38	.44	.63	.69
GENERAL OFFICE EXPENSE	2.41	2.37	2.49	2.76	2.18	2.05	2.37	2.11
BAD DEBTS	.13	.13	.13	.12	.05	.01	.16	.17
TOTAL ADMINISTRATIVE EXPENSE	6.82	7.34	6.88	7.69	6.86	6.63	7.08	7.19
SELLING EXPENSE								
EXECUTIVE SALARIES	.55	.51	.64	.74	.87	.89	.39	.23
SALESMEN SALARIES AND COMMISSIONS	.95	1.07	.57	.45	.48	.50	1.43	1.73
SALES OFFICE CLERICAL SALARIES	1.14	1.35	1.13	1.44	.92	.71	1.38	1.38
PAYROLL TAXES	.18	.21	.15	.17	.13	.12	.23	.25
EMPLOYEE BENEFITS	.24	.28	.17	.19	.19	.17	.30	.37
TRAVEL AND ENTERTAINMENT EXPENSE	.42	.42	.35	.38	.28	.13	.45	.50
GENERAL SELLING EXPENSE	1.24	1.64	1.31	1.57	.74	.74	1.59	1.88
SHIPPING AND DELIVERY EXPENSE	.98	1.08	.57	.57	1.12	.07	1.37	1.71
ADVERTISING	.23	.22	.31	.37	.24	.15	.14	.10
TOTAL SELLING EXPENSE	5.94	6.76	5.19	5.89	4.97	3.47	7.28	8.15
TOTAL ADMINISTRATIVE AND SELLING COST	12.76	14.10	12.06	13.57	11.83	10.10	14.36	15.34
OPERATING INCOME(LOSS)	10.48	13.61	10.48	11.95	6.26	11.27	12.96	15.49
OTHER INCOME AND EXPENSE								
GROSS PROCEEDS FROM SALE OF SCRAP	.59	.53	.56	.44	1.10	1.19	.48	.49
OTHER INCOME	.95	1.13	.86	.88	.97	1.45	1.11	1.28
TOTAL OTHER INCOME	1.54	1.67	1.42	1.32	2.07	2.63	1.59	1.77
INTEREST EXPENSE	1.07	.54	1.03	.17	1.60	1.08	.97	.75
OTHER EXPENSE	1.23	1.53	.01	.01-	.77	1.87	2.39	2.79
TOTAL OTHER EXPENSE	2.30	2.07	1.04	.16	2.37	2.95	3.36	3.54
NET OTHER INCOME(EXPENSE)	1.01-	.73-	.13-	.48	.68-	.32-	1.82-	1.84-
NET INCOME(LOSS) BEFORE INCOME TAXES	9.47	12.88	10.35	12.43	5.57	10.95	11.15	13.65
RETURN ON INVESTMENT	14.79	19.68	15.01	18.25	9.48	18.15	17.16	21.26
NUMBER OF COMPANIES	36	17	10	7	13	5	12	5

	DEALER ALL FIRMS	DEALER LEADERS	DEALER CONTINUOUS CUSTOM ALL FIRMS	DEALER CONTINUOUS CUSTOM LEADERS	DEALER UNIT SETS ALL FIRMS	DEALER UNIT SETS LEADERS	DEALER MIXED PRODUCT ALL FIRMS	DEALER MIXED PRODUCT LEADERS
CURRENT ASSETS								
CASH	6.94	8.41	2.24	2.15	5.46	8.46	11.51	14.32
NOTES AND ACCOUNTS RECEIVABLE	23.59	24.65	22.20	23.51	24.48	23.19	25.82	25.99
LESS ALLOWANCE FOR BAD DEBTS	.67	.79	.64	.74	.29	.27	.81	.93
NET RECEIVABLES	22.92	23.86	21.56	22.77	24.19	22.92	25.01	25.06
INVENTORIES								
RAW MATERIALS	13.21	12.33	12.14	13.05	16.07	16.65	13.19	10.89
FINISHED PRODUCTS	2.65	2.09	.90	1.28	.91	.06	2.73	3.21
WORK IN PROCESS	2.25	2.49	2.32	2.53	2.88	2.80	2.46	2.39
OTHER INVENTORIES	.42	.53	.77	1.10	.73	.34	.09	.01
TOTAL INVENTORIES	18.53	17.43	16.13	17.97	20.59	19.85	18.46	16.51
OTHER CURRENT ASSETS	2.31	3.07	3.26	4.60	1.48	.74	1.95	2.03
TOTAL CURRENT ASSETS	50.70	52.78	43.19	47.49	51.71	51.96	56.94	57.92
FIXED ASSETS								
REAL ESTATE	16.03	18.33	17.04	21.47	10.63	15.90	15.58	15.80
LESS ALLOWANCE FOR DEPRECIATION	4.12	4.46	3.09	3.47	2.47	3.59	5.61	5.55
NET REAL ESTATE	11.92	13.87	13.94	17.99	8.16	12.31	9.98	10.25
MACHINERY AND EQUIPMENT	57.42	56.91	55.62	55.33	68.31	70.27	60.81	56.06
LESS ALLOWANCE FOR DEPRECIATION	30.66	31.45	26.14	26.54	35.56	40.14	37.65	34.56
NET MACHINERY AND EQUIPMENT	26.75	25.46	29.47	28.78	32.75	30.13	23.16	21.50
OTHER FIXED ASSETS	4.81	4.43	4.66	5.29	6.13	2.61	4.76	3.93
LESS ALLOWANCE FOR DEPRECIATION	2.26	1.97	1.65	1.62	3.42	1.31	2.59	2.41
NET OTHER FIXED ASSETS	2.55	2.46	3.01	3.67	2.71	1.29	2.17	1.52
TOTAL FIXED ASSETS	41.22	41.79	46.43	50.45	43.62	43.73	35.30	33.27
OTHER ASSETS	8.08	5.43	10.38	2.06	4.67	4.30	7.76	8.81
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
CURRENT LIABILITIES								
NOTES PAYABLE WITHIN ONE YEAR	3.68	1.69	4.91	1.88	6.01	5.61	1.99	.81
ACCOUNTS PAYABLE	8.54	7.32	9.05	8.89	12.94	12.71	6.80	4.89
OTHER CURRENT LIABILITIES	7.87	9.17	5.78	7.00	7.20	9.32	10.84	11.18
TOTAL CURRENT LIABILITIES	20.08	18.17	19.75	17.77	26.16	27.63	19.64	16.89
LONG-TERM DEBT	23.32	15.70	29.15	19.87	25.11	10.24	14.30	12.71
OTHER LONG-TERM LIABILITIES	2.26	2.04	.99	1.25	6.41	8.77	1.70	1.61
TOTAL LONG-TERM LIABILITIES	25.58	17.74	30.14	21.13	31.52	19.01	16.00	14.31
TOTAL LIABILITIES	45.66	35.91	49.88	38.90	57.68	46.64	35.64	31.20
TOTAL NET WORTH	54.34	64.09	50.12	61.10	42.32	53.36	64.36	68.80
TOTAL LIABILITIES AND NET WORTH	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

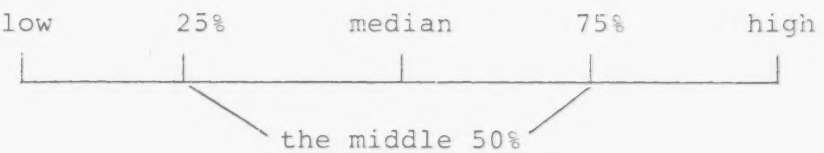
	DEALER		DEALER CONTINUOUS CUSTOM		DEALER UNIT SETS		DEALER MIXED PRODUCT	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
EMPLOYEES								
PERCENT FACTORY	77.34	77.03	80.57	79.21	80.88	82.18	74.43	74.29
PERCENT ADMINISTRATIVE	13.38	12.68	11.37	12.05	11.92	10.90	15.21	13.54
PERCENT SALES	9.28	10.28	8.06	8.74	7.20	6.91	10.35	12.17
PRODUCTIVITY								
SALES PER GROSS PLANT INVESTMENT	2.58	2.54	2.26	2.32	2.73	2.63	2.62	2.75
SALES PER FACTORY EMPLOYEE	77979	71892	75630	73440	64252	64565	72462	72183
SALES PER ADMINISTRATIVE EMPLOYEE	450799	436594	535718	482612	435872	486605	354537	396027
SALES PER SALES EMPLOYEE	649630	538728	756908	665419	722116	767338	521004	440662
SALES PER ALL EMPLOYEES	60308	55381	60934	58169	51967	53060	53937	53624
SALES LESS MATERIAL / FACTORY EMPLOYEE	42618	42708	44348	44313	34484	36827	42087	42637
FINANCIAL POSITION								
CURR ASSETS VS CURR LIABILITIES	2.52	2.98	2.19	2.67	1.98	1.88	2.90	3.43
LIABILITIES VS NET WORTH	.84	.56	1.00	.64	1.36	.87	.55	.45
DEBT VS EQUITY	.43	.24	.58	.33	.59	.19	.22	.18
PAYROLL								
PAYROLL PER FACTORY EMPLOYEE	14735	14250	16184	15669	13000	12232	14116	13489
PAYROLL PER ADMIN. EMPLOYEE	16164	17507	19459	19656	17420	19046	13097	15738
PAYROLL PER SALES EMPLOYEE	17183	15756	17654	17497	16433	16153	16666	14717
PAYROLL PER EMPLOYEE	15153	14818	16675	16309	13774	13246	14225	13943
PREPRESS % OF FACTORY PAYROLL	11.78	12.33	13.24	14.05	11.77	11.52	10.99	10.80
PRESS % OF FACTORY PAYROLL	32.08	31.14	33.12	32.80	31.04	28.42	30.29	30.05
COLLATOR OPERATOR % OF FACTORY PAYROLL	17.24	16.72	20.77	20.66	18.92	18.04	14.61	12.57
GENERAL BINDERY % OF FACTORY PAYROLL	8.72	9.96	6.44	7.34	11.05	12.91	10.25	11.95
OVERTIME WAGES % OF FACTORY PAYROLL	3.53	3.75	2.45	2.69	2.68	2.58	4.54	5.02
TOTAL PAYROLL % OF SALES	29.96	32.14	31.72	32.71	31.12	28.92	32.20	32.28
TAXES AND BENEFITS								
TAXES AND BENEFITS / FACTORY EMPLOYEE	2903	2924	2577	2613	2354	1943	3216	3402
TAXES AND BENEFITS / ADMIN. EMPLOYEE	3130	3622	3362	3584	2787	3208	3028	3714
TAXES AND BENEFITS / SALES EMPLOYEE	2702	2601	2416	2429	2264	2155	2783	2750
TAXES AND BENEFITS / EMPLOYEE	2915	2979	2654	2714	2399	2095	3142	3365
ASSET TURNOVER								
INVENTORY TURNOVER TIMES PER YEAR	10.88	11.61	10.84	10.59	11.30	11.75	11.51	12.62
DAYS RAW MATERIAL IN INVENTORY	52.75	54.79	61.27	63.12	54.43	60.67	54.04	46.61
COLLECTION DAYS OF RECEIVABLES	41.50	43.05	45.00	43.67	37.96	35.87	42.94	43.92
INVESTMENT								
NET WORTH % OF FIXED ASSETS	131.85	153.38	107.9[illegible]	121.11	97.04	122.02	182.30	206.80
AVG GROSS PLANT INVESTMENT/FACT EMPLOY	30274	28307	33436	31675	23499	24581	27663	26267
PROFIT								
GROSS PROFIT % OF SALES	23.24	27.71	22.54	25.52	18.09	21.37	27.33	30.83
INCOME BEFORE TAX % OF SALES	9.47	12.88	10.35	12.43	5.57	10.95	11.15	13.65
PROFIT % OF NET WORTH	35.11	40.66	36.10	38.71	30.63	47.86	36.82	41.32
CASH FLOW (ROI)	11.49	13.34	12.88	13.25	9.26	13.51	11.81	13.40
RETURN ON INVESTMENT	14.79	19.68	15.01	18.25	9.48	18.15	17.16	21.26

V. KEY RATIO ANALYSIS

What makes a particular firm a profit leader - or a profit laggard, or a middling also-ran? This is the question that causes most companies to participate in ratio studies and other market research programs. Unfortunately, ratio analysis alone will never answer this question. There are too many other variables that change the meaning though not the numerical measurement of pre-tax nets. However, study of industry ratios can improve your firm's performance and give you greater understanding of your firm and your industry.

This section contains two sets of aids for interpreting and using the ratios. The first set presents ranges for some of the key line items in the standard chart of accounts. Medians and averages are useful, but few firms will ever find their results are on the statistical mid-point. Ranges allow you to see whether your own firm's deviations are fairly typical or seriously wide of the mark.

The Range:



The Range: is the difference between the largest and smallest values.

Upper Quartile: is the range of values between the 75th percentile and the highest value, thus containing the values of the upper quarter of the participants.

Lower Quartile: is the range of values between the 25th percentile and the lowest value.

Median: is the value at the 50th percentile, where half of all the values are lower and half are higher. Similar to but not the same as an average.

The Middle 50%: contains half the values below the median and half above it; is usually a good technique for eliminating extremes.

The second set of aids helps you examine the cause and effect of some key ratio items.

KEY RATIO ANALYSIS

	Non-forms Manufacturing Percent of Sales	Buy-outs Percent of Sales	
		Average	Median
By Size of Firm:			
Under $3 million	5.2	4.1	0.3
$3-8 million	1.9	4.0	0.1
$8-15 million	0.5	4.7	0.6
Over $15 million	5.5	1.8	0.9
By Market Channel:			
Direct	4.5	7.2	5.7
Dealer	3.3	0.5	0.0
Mixed	4.6	5.4	1.0
By Market and Product:			
Direct:			
Continuous Custom	-	3.3	4.3
Unit Sets	3.6	7.5	6.9
Mixed	5.6	7.1	5.8
Dealer:			
Continuous Custom	6.3	0.4	0.0
Unit Sets	0.6	0.6	0.1
Mixed	2.9	0.5	0.0
Mixed:			
Mixed	6.4	7.5	*
All Market Channels:			
Continuous Stock	-	4.0	1.0
By Average Order Size:			
Under 10,000	7.9	4.2	0.0
10-25,000	6.2	3.5	0.1
25-50,000	1.7	1.5	0.0
50-100,000	2.0	7.3	5.9
Over 100,000	*	*	*

*Insufficient Data

	Value of Products Manfactured	Outside Purchases	Total Sales
By Size of Firm:			
Under $3 million	96.2	3.8	100.0
$3-8 million	96.1	3.9	100.0
$8-15 million	94.9	5.1	100.0
Over $15 million	97.9	2.1	100.0
By Market Channel:			
Direct	94.9	5.1	100.0
Dealer	99.7	0.3	100.0
Mixed	*	*	*
By Market and Product:			
Direct:			
Continuous Custom	95.4	4.6	100.0
Unit Sets	92.6	7.4	100.0
Mixed	94.7	5.3	100.0
Dealer:			
Continuous Custom	99.6	0.4	100.0
Unit Sets	99.3	0.7	100.0
Mixed	99.9	0.1	100.0
Mixed:			
Mixed	94.6	6.4	100.0
All Market Channels:			
Continuous Stock	95.1	4.9	100.0
By Average Order Size:			
Under 10,000	95.8	4.2	100.0
10-25,000	96.5	3.5	100.0
25-50,000	98.5	1.5	100.0
50-100,000	92.7	7.3	100.0
Over 100,000	*	*	*
All Firms	97.2	2.8	100.0
Leaders	98.1	1.9	100.0

*Insufficient Data

	Percent of Total Employees In Factory	Percent of Total Employees In Administrative	Percent of Total Employees In Sales
By Size of Firm:			
Under $3 million	74.2	17.5	8.3
$3-8 million	75.3	11.2	13.4
$8-15 million	75.6	12.0	12.4
Over $15 million	70.0	14.9	15.1
By Market Channel:			
Direct	68.0	14.8	17.2
Dealer	77.3	13.4	9.3
Mixed	69.5	8.9	21.6
By Market and Product:			
Direct:			
Continuous Custom	67.8	13.5	18.6
Unit Sets	65.8	20.3	13.9
Mixed	68.6	14.5	16.9
Dealer:			
Continuous Custom	80.6	11.4	8.1
Unit Sets	80.9	11.9	7.2
Mixed	74.4	15.2	10.4
Mixed:			
Mixed	77.1	13.3	9.6
All Market Channels:			
Continuous Stock	65.4	12.0	22.7
By Average Order Size:			
Under 10,000	76.3	14.6	9.1
10-25,000	72.6	13.8	13.5
25-50,000	71.2	16.7	12.1
50-100,000	66.9	10.1	23.0
Over 100,000	*	*	*

*Insufficient Data

	Materials as Percent of Sales	Factory Payroll as Percent of Sales	Factory Expense as Percent of Sales
By Size of Firm:			
Under $3 million	41.2	23.5	11.0
$3-8 million	42.2	22.5	11.7
$8-15 million	48.6	20.1	8.7
Over $15 million	51.1	16.9	7.3
By Market Channel:			
Direct	49.8	16.6	7.6
Dealer	45.4	22.6	9.4
Mixed	50.5	18.1	8.1
By Market and Product:			
Direct:			
Continuous Custom	58.7	10.5	6.0
Unit Sets	36.1	23.5	10.3
Mixed	48.2	17.9	8.0
Dealer:			
Continuous Custom	41.4	24.8	11.3
Unit Sets	46.3	23.9	11.7
Mixed	41.9	23.9	8.3
Mixed:			
Mixed	44.7	22.0	8.8
All Market Channels:			
Continuous Stock	62.0	9.9	6.1
By Average Order Size:			
Under 10,000	42.7	20.9	9.7
10-25,000	42.4	23.3	11.3
25-50,000	46.8	20.0	10.2
50-100,000	56.8	14.7	6.8
Over 100,000	*	*	*
All Firms	49.1	18.4	8.3
Leaders	48.3	17.9	7.8

*Insufficient Data

	Gross Profit Manufacturing	Net Income (Loss) Other Operations	Gross Profit All Operations
By Size of Firm:			
Under $3 million	24.4	0.4	24.8
$3-8 million	23.6	-	23.6
$8-15 million	22.2	0.8	23.0
Over $15 million	24.7	1.9	26.6
By Market Channel:			
Direct	25.9	2.3	28.2
Dealer	22.6	0.6	23.2
Mixed	23.3	-(0.4)	22.3
By Market and Product:			
Direct:			
Continuous Custom	24.7	-	24.7
Unit Sets	30.2	0.6	30.8
Mixed	26.0	2.9	28.9
Dealer:			
Continuous Custom	22.5	-	22.5
Unit Sets	18.1	-	18.1
Mixed	25.8	1.5	27.3
Mixed:			
Mixed	24.5	-(0.6)	23.9
All Market Channels:			
Continuous Stock	22.0	0.1	22.0
By Average Order Size:			
Under 10,000	26.6	0.9	27.5
10-25,000	23.0	0.3	23.3
25-50,000	23.1	0.3	23.4
50-100,000	21.7	-	21.7
Over 100,000	*	*	*
All Firms	24.1	1.4	25.6
Leaders	26.0	2.4	28.4

*Insufficient Data

	Administrative Expense as Percent of Sales	Selling Expense as Percent of Sales	Other Income (Loss)	Pre-Tax Net
By Size of Firm:				
Under $3 million	9.3	7.8	-(1.4)	6.4
$3-8 million	7.1	8.0	-(0.5)	8.1
$8-15 million	6.4	9.2	0.1	7.6
Over $15 million	6.3	9.3	-(1.3)	9.7
By Market Channel:				
Direct	6.9	11.7	-(1.0)	8.6
Dealer	6.8	5.9	-(1.0)	9.5
Mixed	5.6	7.3	-(0.6)	9.4
By Market and Product:				
Direct:				
Continuous Custom	3.9	8.1	0.1	12.9
Unit Sets	11.0	13.6	-(0.2)	6.0
Mixed	7.2	12.1	-(1.1)	8.5
Dealer:				
Continuous Custom	6.9	12.1	-(0.1)	15.0
Unit Sets	6.9	11.8	-(0.7)	9.5
Mixed	7.1	14.4	-(1.8)	17.2
Mixed:				
Mixed	6.8	7.5	-(0.5)	9.1
All Market Channels:				
Continuous Stock	6.7	8.5	-(1.9)	5.5
By Average Order Size:				
Under 10,000	10.7	6.2	-(1.1)	9.5
10-25,000	7.4	8.9	-(0.9)	6.2
25-50,000	6.0	8.2	-(0.6)	8.6
50-100,000	4.5	9.4	-(1.7)	6.1
Over 100,000	*	*	*	*
All Firms	6.5	9.0	-(1.0)	9.1
Leaders	6.3	8.5	-(0.4)	13.2

*Insufficient Data

Net Pre-Tax

	Low	25th %	Median	75th %	High
By Market:					
Direct	-(8.10)	2.10	6.70	12.39	35.13
Dealer	-(6.45)	2.30	7.65	12.40	18.83
Mixed	6.13	*	9.95	*	12.13
By Company Size:					
Under $3 million	-(8.10)	-(0.30)	5.22	9.17	35.13
$3-8 million	-(3.04)	2.33	8.08	12.18	18.83
$8-15 million	0.52	2.87	7.90	13.15	19.01
Over $15 million	-(4.37)	3.04	10.64	13.32	16.88
By Average Order Size:					
Under 10,000	-(4.37)	5.12	8.05	14.47	35.13
10-25,000	-(8.10)	1.86	6.93	11.15	19.01
25-50,000	-(1.02)	2.39	9.31	13.20	18.83
50-100,000	-(0.83)	0.54	6.41	11.63	12.54
By Product:					
Direct:					
Continuous Custom	11.33	*	12.54	*	18.83
Unit Sets	-(8.10)	-(4.05)	8.37	11.95	13.05
Mixed	-(4.37)	0.55	6.14	12.27	35.13
Dealer:					
Continuous Custom	-(6.45)	6.42	9.48	13.40	14.40
Unit Sets	-(1.22)	0.89	5.14	10.14	14.66
Mixed	-(1.85)	3.02	7.01	13.01	18.83

*Insufficient Data

KEY PRODUCTIVITY and BALANCE SHEET DATA

R.O.I.

	Low	25th %	Median	75th %	High
By Market:					
Direct	-(9.68)	2.47	12.30	17.97	65.13
Dealer	-(10.45)	3.78	11.78	19.80	37.31
Mixed	9.39	*	14.75	*	25.02
By Company Size:					
Under $3 million	-(10.45)	-(0.51)	7.43	13.77	65.13
$3-8 million	-(4.23)	3.85	12.86	20.60	37.31
$8-15 million	0.91	2.88	12.35	18.91	28.90
Over $15 million	-(7.72)	4.01	16.76	20.98	36.09
By Average Order Size:					
Under 10,000	-(7.72)	8.76	12.26	20.70	65.13
10-25,000	-(10.45)	2.04	11.11	17.53	37.31
25-50,000	-(1.80)	3.66	14.82	19.68	24.12
50-100,000	-(1.54)	1.48	9.82	27.79	36.09
By Product:					
Direct:					
Continuous Custom	16.76	*	24.12	*	36.09
Unit Sets	-(9.68)	-(4.33)	12.99	21.36	23.74
Mixed	-(7.72)	0.44	7.50	17.44	65.13
Dealer:					
Continuous Custom	-(10.45)	9.72	14.22	20.62	21.99
Unit Sets	-(2.09)	1.37	7.36	16.54	22.62
Mixed	-(3.00)	4.57	11.59	20.55	37.31

*Insufficient Data

Value Added Per Factory Employee

	Low	25th %	Median	75th %	High
By Market:					
Direct	6,232	43,765	54,921	62,697	85,948
Dealer	27,358	33,193	37,230	44,627	91,489
Mixed	29,999	*	41,470	*	63,755
By Company Size:					
Under $3 million	27,353	30,302	35,321	45,754	63,723
$3-8 million	6,232	35,031	42,736	54,792	75,571
$8-15 million	33,248	36,003	45,233	54,373	58,576
Over $15 million	33,404	44,115	55,419	72,064	91,489
By Average Order Size:					
Under 10,000	29,522	32,552	40,095	56,629	91,489
10-25,000	6,232	33,248	41,730	50,627	75,571
25-50,000	37,383	43,192	50,352	64,354	72,978
50-100,000	43,652	44,338	61,165	83,213	85,948
By Product:					
Direct:					
Continuous Custom	62,697	*	82,302	*	85,948
Unit Sets	30,413	34,362	51,432	58,233	58,780
Mixed	6,232	43,737	53,820	60,080	75,571
Dealer:					
Continuous Custom	33,175	35,071	37,699	48,399	55,918
Unit Sets	27,358	29,172	33,248	39,085	48,314
Mixed	29,689	35,238	41,134	45,363	49,181

*Insufficient Data

Collection Days of Receivables

	Low	25th %	Median	75th %	High
By Market:					
Direct	28	44	50	56	114
Dealer	22	35	40	44	55
Mixed	32	*	44	*	48
By Company Size:					
Under $3 million	22	36	43	49	96
$3-8 million	27	34	40	46	64
$8-15 million	35	42	50	58	114
Over $15 million	28	42	47	55	81
By Average Order Size:					
Under 10,000	22	28	46	54	96
10-25,000	24	35	42	46	114
25-50,000	32	40	47	56	64
50-100,000	44	47	52	68	83
By Product:					
Direct:					
Continuous Custom	44	*	63	*	64
Unit Sets	28	32	51	55	56
Mixed	32	44	49	56	114
Dealer:					
Continuous Custom	29	37	46	50	55
Unit Sets	22	31	38	42	45
Mixed	27	35	40	43	47

*Insufficient Data

Gross Plant Investment Per Factory Employee

	Low	25th %	Median	75th %	High
By Market:					
Direct	3,708	21,395	30,696	48,028	73,622
Dealer	10,826	21,731	26,640	32,048	89,454
Mixed	19,790	*	26,637	*	35,425
By Company Size:					
Under $3 million	10,826	20,075	24,232	31,676	36,629
$3-8 million	3,708	21,390	27,361	33,100	73,622
$8-15 million	14,955	24,225	44,943	59,002	32,805
Over $15 million	17,914	26,222	37,376	49,187	89,454
By Average Order Size:					
Under 10,000	17,243	20,475	28,156	31,505	89,454
10-25,000	3,708	21,395	25,919	32,047	73,622
25-50,000	14,955	30,362	42,066	48,659	57,543
50-100,000	17,914	24,456	34,856	52,888	63,026
By Product:					
Direct:					
Continuous Custom	40,672	*	41,022	*	63,026
Unit Sets	21,395	21,575	22,889	32,494	35,437
Mixed	3,708	19,482	30,677	48,114	73,622
Dealer:					
Continuous Custom	24,130	25,462	30,290	36,533	49,452
Unit Sets	10,826	18,443	22,399	31,387	36,629
Mixed	14,107	21,269	24,858	29,425	43,459

*Insufficient Data

Gross Plant Investment

	Low	25th %	Median	75th %	High
By Company Size:					
Under $3 million	111,060	425,603	552,361	847,746	1,382,706
$3-8 million	688,010	1,204,204	1,703,535	2,236,149	3,394,629
$8-15 million	1,935,025	2,379,884	3,978,870	4,716,820	6,293,499
Over $15 million	3,419,733	6,009,959	7,471,786	11,156,965	41,414,648

Gross Profit

	Low	25th %	Median	75th %	High
By Market:					
Direct	15.15	24.28	26.11	32.13	62.23
Dealer	3.74	16.68	20.02	22.82	33.66
Mixed	20.44	*	20.80	*	27.42
By Company Size:					
Under $3 million	3.74	19.78	21.95	27.07	62.23
$3-8 million	14.54	19.11	23.34	26.11	40.10
$8-15 million	12.86	18.54	21.28	27.53	42.15
Over $15 million	10.44	17.09	24.90	29.58	37.41
By Average Order Size:					
Under 10,000	15.07	18.34	23.40	32.51	62.23
10-25,000	3.74	19.75	22.84	26.11	42.15
25-50,000	10.44	15.52	23.28	29.33	40.10
50-100,000	17.51	19.98	21.17	24.59	25.51
By Product:					
Direct:					
Continuous Custom	21.05	*	24.28	*	40.10
Unit Sets	21.79	23.08	30.74	46.85	50.96
Mixed	15.15	24.74	26.11	30.59	62.23
Dealer:					
Continuous Custom	3.74	16.52	20.35	23.16	33.66
Unit Sets	12.86	17.46	19.75	20.86	27.32
Mixed	14.54	16.03	22.40	26.37	33.09

*Insufficient Data

Current Ratio

	Low	25th %	Median	75th %	High
By Market:					
Direct	0.91	1.84	2.45	4.28	8.33
Dealer	0.73	1.92	2.27	3.06	10.42
Mixed	3.95	*	4.66	*	6.75
By Company Size:					
Under $3 million	0.73	1.73	2.25	3.78	7.52
$3-8 million	1.28	1.98	2.58	3.56	10.42
$8-15 million	1.40	1.71	2.34	4.56	6.43
Over $15 million	0.90	1.36	3.10	4.28	8.33
By Average Order Size:					
Under 10,000	1.16	2.37	3.83	5.30	7.87
10-25,000	0.73	1.92	2.32	3.06	10.42
25-50,000	1.35	1.47	1.81	3.27	5.53
50-100,000	1.11	1.81	2.29	7.15	8.33
By Product:					
Direct:					
Continuous Custom	1.51	*	2.23	*	8.33
Unit Sets	0.91	1.58	3.65	4.15	4.29
Mixed	1.02	1.90	2.44	4.36	7.57
Dealer:					
Continuous Custom	0.90	1.39	1.93	4.09	6.43
Unit Sets	1.16	1.82	2.15	2.82	3.35
Mixed	0.73	1.95	2.58	6.63	10.42

*Insufficient Data

Total Liabilities vs. Total Net Worth

	Low	25th %	Median	75th %	High
By Market:					
Direct	-(39.84)	0.41	0.70	1.44	12.94
Dealer	-(3.27)	0.54	1.06	1.68	3.28
Mixed	0.07	*	0.43	*	0.88
By Company Size:					
Under $3 million	-(39.84)	0.59	0.96	1.86	3.28
$3-8 million	0.11	0.41	0.78	1.31	2.07
$8-15 million	0.20	0.39	1.03	2.71	12.94
Over $15 million	0.07	0.50	0.66	1.95	2.72
By Average Order Size:					
Under 10,000	0.13	0.63	0.84	1.41	3.12
10-25,000	-(39.84)	0.41	0.76	1.42	3.28
25-50,000	0.35	0.42	0.91	2.21	2.72
50-100,000	0.07	0.38	1.10	15.59	23.53
By Product:					
Direct:					
Continuous Custom	0.48	*	0.71	*	1.43
Unit Sets	-(39.84)	-(29.78)	0.57	0.76	0.77
Mixed	0.11	0.43	0.68	1.63	23.53
Dealer:					
Continuous Custom	-(3.27)	0.41	0.71	1.53	3.12
Unit Sets	0.34	0.94	1.24	1.98	3.28
Mixed	0.11	0.51	0.60	1.46	3.19

*Insufficient Data

Debt vs. Equity

	Low	25th %	Median	75th %	High
By Market:					
Direct	-(7.96)	0.03	0.24	0.71	4.85
Dealer	-(2.72)	0.10	0.40	0.84	2.40
Mixed	0.01	*	0.25	*	0.58
By Company Size:					
Under $3 million	-(7.96)	0.15	0.53	0.69	2.01
$3-8 million	-	0.05	0.26	0.65	1.30
$8-15 million	-	0.16	0.25	1.49	4.85
Over $15 million	-	-	0.22	1.11	1.55
By Average Order Size:					
Under 10,000	0.05	0.36	0.55	0.75	2.40
10-25,000	-(7.96)	0.01	0.22	0.74	2.01
25-50,000	-	0.12	0.25	1.14	1.55
50-100,000	-	0.01	0.43	*	*
By Product:					
Direct:					
Continuous Custom	-	*	0.05	*	0.54
Unit Sets	-(7.96)	-(5.95)	0.31	0.59	0.61
Mixed	-	0.02	0.25	1.00	9.92
Dealer:					
Continuous Custom	-(2.72)	0.08	0.33	0.93	2.40
Unit Sets	0.01	0.22	0.52	1.23	2.01
Mixed	-	0.01	0.23	0.70	1.24

*Insufficient Data

ANALYSIS OF CAUSAL RATIOS

Ratio	Ratio Compared To Industry Norm	Operating Penalty	Possible Factors Affecting Ratio	Potential Solutions
DAY'S SALES UNCOLLECTED Credit Sales ÷ 365 = X Receivables ÷ X = Day's Sales	High	Reduced working capital--- Short-term interest cost	Product quality substandard	Establish quality assurance department
			Invoice accuracy problems	Order processing accounting changes
			Invoice timing problems	
			Invoice timing problems	Automation of invoicing
			Inadequate credit management practices	Establish credit department, cash discounts
	Low	Lost sales	Credit policy too restrictive	Modify selling terms
			Cash and carry policy	Establish credit terms
INVENTORY TURNOVER Cost of sales ÷ avg. inventory	High	Lost sales	Delivery lead-time policy	Establish shelf stock to improve delivery
			Build-to-order policy	Forecast requirements
	Low	Reduced working capital---	Untimely forecast	Automate forecasting/update regularly
		Short-term interest cost	Inflexible scheduling	Revise master schedule/capacity plan
			Delivery lead-time policy	Lenghten delivery lead-time
			Inflexible material planning	Implement material requirements planning
			Poor variance control	Establish standard/measure variance
NET SALES/NET WORTH	High	Reduced working capital---	High debt/equity ratio	Improve cash flow: shorten collection period,etc.
		Short-term interest cost	Overtrading	Improve cash flow: shorten collection period, etc.
			Sales policies	Develop marketing plan
	Low	Lost sales	Undertrading	Increase debt-increase development and marketing budget

ANALYSIS OF CAUSAL RATIOS (cont'd)

Ratio	Ratio Compared To Industry Norm	Operating Penalty	Possible Factors Affecting Ratio	Potential Solutions
PRETAX INCOME/SALES	High	None		
	Low	Reduced working capital--- Short-term interest cost	Pricing policies	Improve costing to determine break-even point
			High interest costs	Improve receivables collection inventory turnover
			Obsolete products	Improve responsiveness of inventory system
			Lack of product line planning	Forecasting and marketing share analysis
FIXED ASSETS/NET WORTH	High	Reduced working capital Short-term interest cost	Lack of ROI analysis	Capital budgeting procedures
	Low	Reduced capacity Missed shipments High rent costs	Lack of facility planning Scheduling problems Lack of lease approval procedures	Facility planning organization Formailized scheduling Capital budgeting procedures
MISC. ASSETS/NET WORTH	High	Depressed working capital	Management acquisition policy	Change acquisition policy

ANALYSIS OF EFFECT RATIOS

RATIO	PRINCIPAL EFFECT MEASURED
Current Ratio	Liquidity of company and ability to meet current obligations.
Current Liabilities-To Net Worth or Total Libailities-To-Net Worth	The relative freedom of the company from creditor pressures which tend to restrict operating latitude, the current debt being that which is most pressing in nature.
Inventory-To-Working Capital	The dependence of working capital on the stated value of inventory.
Trade Receivables-To-Working Capital	The dependence of working capital on the stated value of receivables.
Long-Term Liabilities-To-Working Capital	The ability of the company to retire long-term debt and still remain liquid.
Net Profit-To-Net Worth	The return on invested capital.
Net Sales-To-Fixed Assets	The utilization of the company's capital investment.
Net Sales-To-Working Capital	The ability of working capital to support the volume of sales.

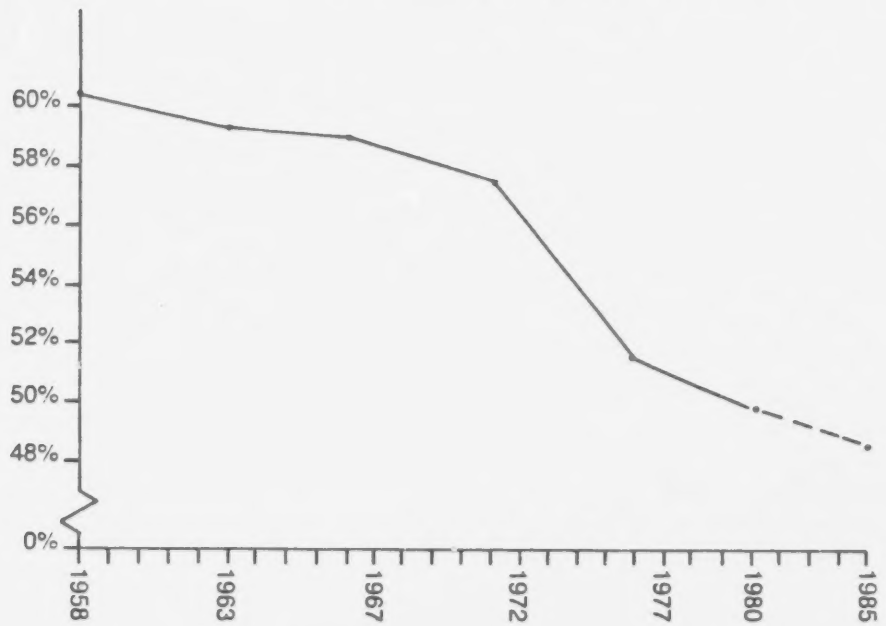
VI. INDUSTRY PROFITABILITY: AN IBFI REPORT

Prices, money and the interaction of the two with economic growth whether in an industry or a whole economy comprise one of the most complicated topics in economic or business studies. What is worse, this region is so complex and so poorly charted that many of us think we understand it when we do not. To quote a leading expert in the field, "only one fellow in ten thousand understands the currency question, and I meet him every day."

Inflation has affected the forms industry in several ways. One of them is value added.

VALUE ADDED AS PERCENT OF SHIPMENTS

(At Current Dollar Values)

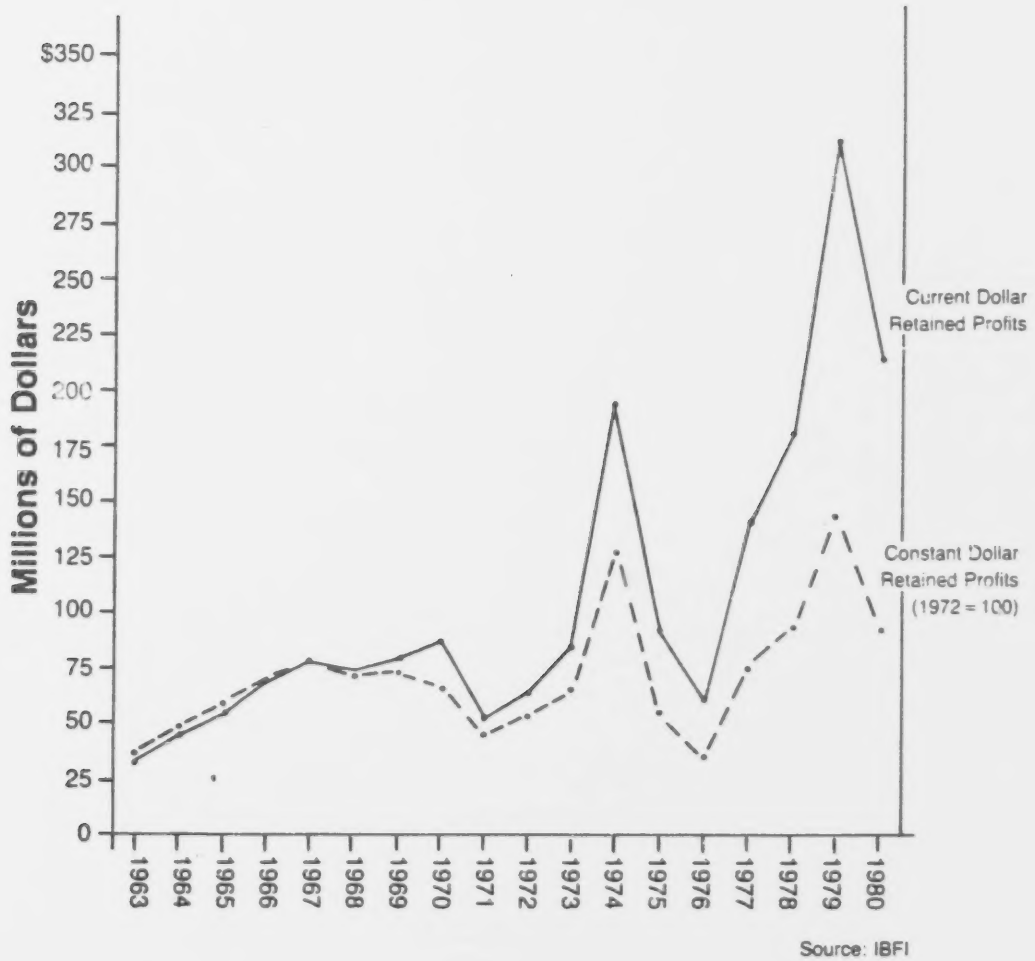


SOURCES: 1958-1977; US Government data.
1978-1980; IBFI Ratio Studies.
1981-1985; IBFI projection.

This graph shows clearly that from the mid-Fifties until the beginning of the Seventies the industry's value added held up well. The slight slippage evident in those years - a slippage of only about two percentage points - can be attributed to gradual rises in industry-wide manufacturing efficiencies. Such rises are common in an industry whose products are rapidly being brought to maturity. During the Seventies, however, value added plummetted. The reason: in an industry as competitive as ours it simply has not been possible to pass on the full impact of inflation in the industry's costs of production to the final consumer.

Admittedly, current dollar industry profits have increased to some extent as increases in the cost of inputs have forced some price rises. However, profitability has in general failed to keep pace with inflation. Even more serious is the uncertainty and wide flutuations often caused by inflation. Both of these impacts are demonstrated in the following graphs.

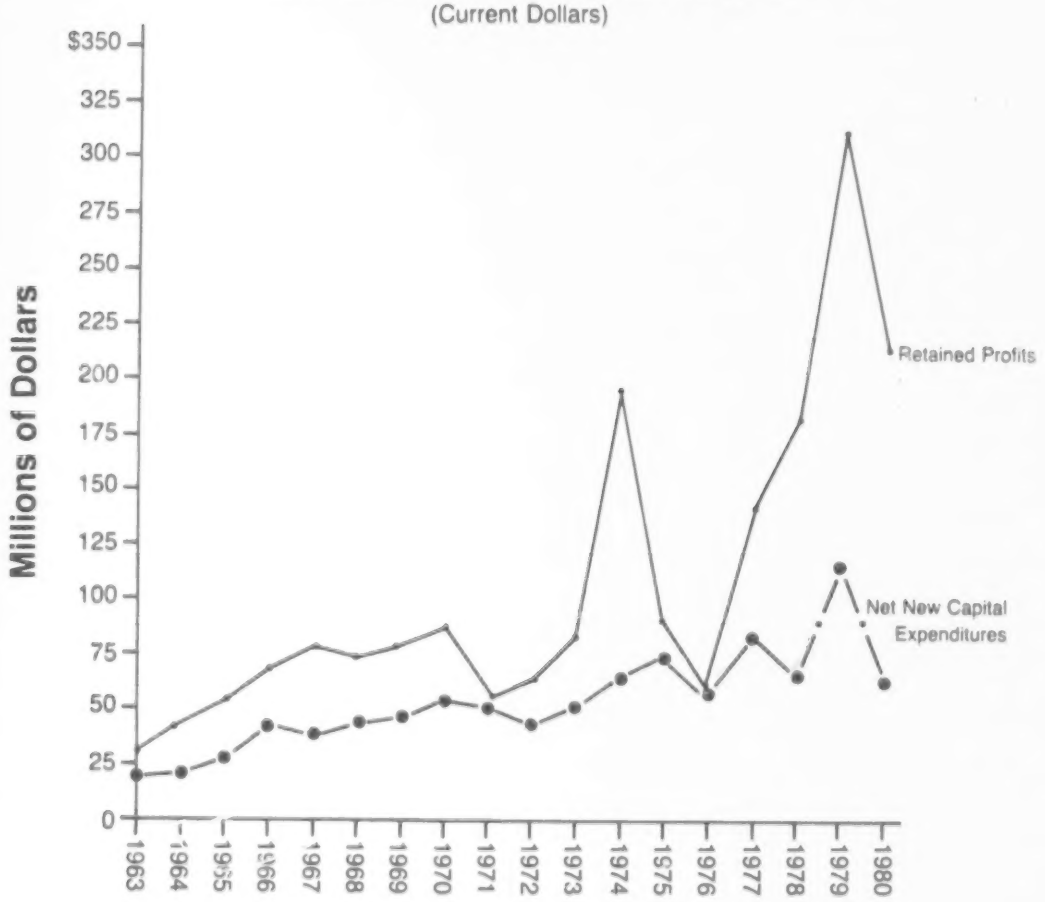
FORMS INDUSTRY
RETAINED PROFITS
(In Current and Constant Dollars)



Source: IBFI

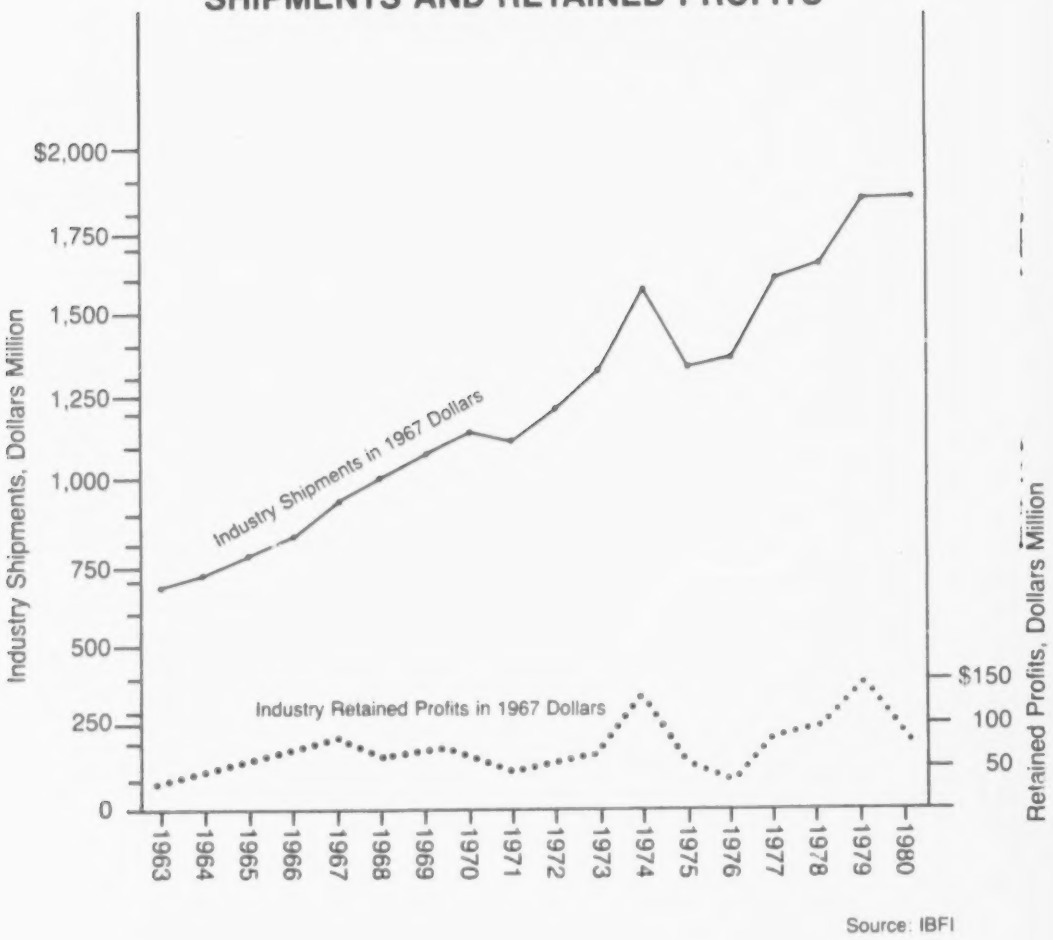
RETAINED PROFITS Vs. NEW CAPITAL EXPENDITURES

(Current Dollars)



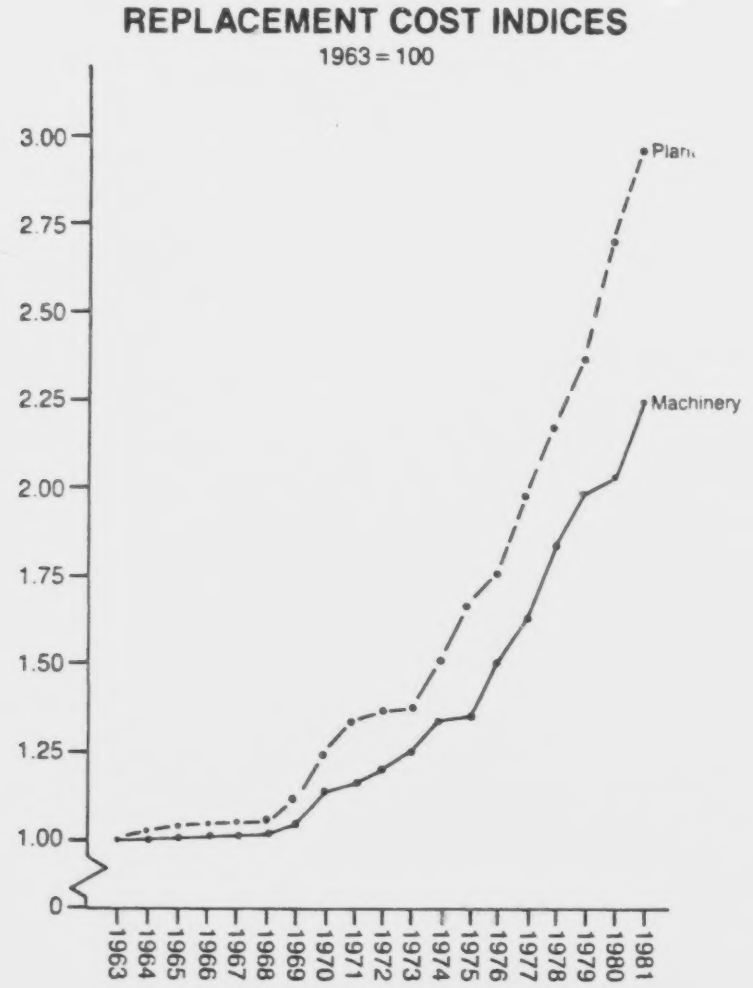
Source: IBFI

A COMPARISON OF INDUSTRY SHIPMENTS AND RETAINED PROFITS



Source: IBFI

Additionally, the cost of land and machinery has risen sharply - often even more rapidly than other prices, especially during the last ten years. These rises make it essential to realize that standard depreciation schedules have lost their original meaning.



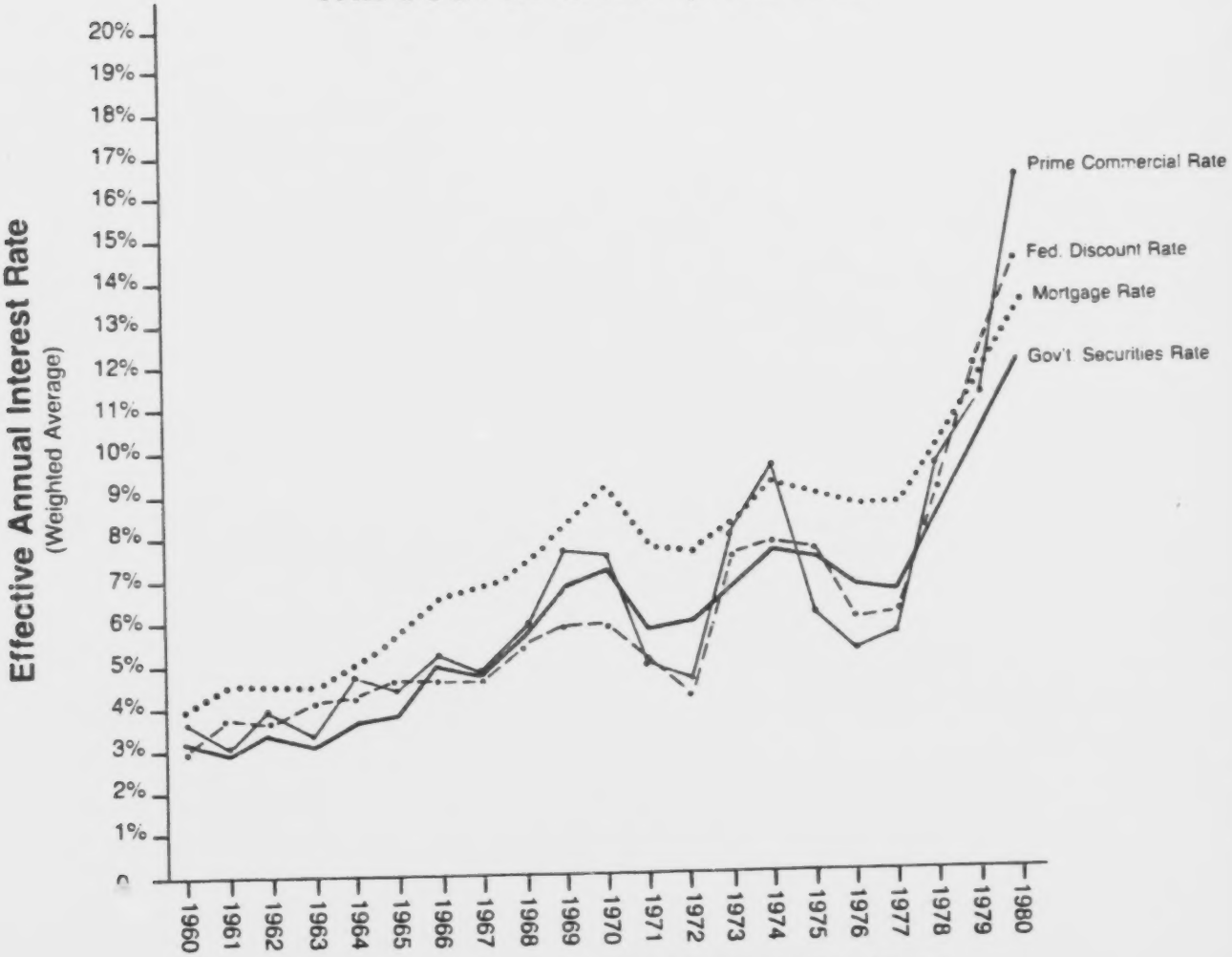
Source: Marshall Valuation Tables, as interpreted by Marsh and McLennan, Insurance Protection Consultants, in "Guide to the Replacement Value of Your Commercial Property". Note that these indices reflect replacement cost only and do not include the increased cost of new equipment that is due to qualitative improvements.

In examining profitability it is important to make the distinction between "book" profits and "economic" profits. Book profit is simply the difference between the cost of production (including the depreciation of the original purchase price, capital assets) and total sales. Economic profit takes the concept an important step further; it means only those book profits which are above and beyond the profit needed to keep the firm in business. In this context, nearly all the book profits made in this industry are plowed back, either in the form of capital investment or as returns to investors or as a necessary reward to the entrepreneur. In fact, many firms have not made enough book profits during the last several years to remain in business a decade down the road - but this serious trend has been cloaked by inflation as profits have inflated right along with costs and sales.

Chief executives too often are reluctant to deflate their profits into "real" dollars. Their motives in failing to do so are understandable but very short-term. Without deflating profits to their true levels and without using replacement-cost accounting methods, the true return on their investment becomes seriously overstated. This erosion could be critical in the coming years, for the industry is entering a period during which competitive forces will require increasing investments in more sophisticated equipment.

Another factor in the determination of true profit levels is the cost of money. This cost is now much greater than it has been during any previous peacetime period in American business history. More to the point, while the average level of interest rates is bound to drop during the next eighteen months, it is unlikely that the cost of money will drop below double figures for any extended period in this decade. These sharply higher rates of interest first of all increase the cost of doing business. A more subtle effect is that they increase the profit level needed to sustain an industry in the long run. That is because any business must offer rates of return comparable to the long-term rate of interest.

THE COST OF MONEY, 1960-1980



(Sources: *Federal Reserve Bulletin* and *Annual Statistical Digest* of the Federal Reserve; *Historical Statistics of the U.S.*, GPO; *An Analytical Record of Yields and Yield Spreads*, Salomon Brothers, N.Y.)

Looked at in this light, very few manufacturing concerns in this or any other American industry really made a profit in 1980, and 1981 should be weaker. That is not to say, however, that a factory must turn a profit which in every year meets or exceeds the average rate of short-term interest; such a comparison is like equating the rates on 90-day treasury bills with the rates on 30-year mortgages. It does mean, however, that over a period of five, ten or thirty years the returns in an industry must be comparable to average rates of interest. The forms industry did well in this regard during the Sixties and just about held its own during the Seventies. The Eighties have so far been a different story.

International Business Forms Industries

STANDARD CLASSIFICATION OF ACCOUNTS FOR BUSINESS FORMS COMPANIES

I. **Net Sales** -- The balance of Gross Sales for the period less Cash Allowances and Sales Discounts Earned is Net Sales.

A-E. **Business Forms Manufactured and Sold** -- Net sales of forms and printed products manufactured in your plant. Report separately the sales made through dealers and other manufacturers and the sales made directly to consumers.

G. **Forms Manufactured in Their Entirety by Others** -- Net sales of all forms sold by your company without further processing in your plant.

H. **Services and Other Products** -- Net sales of all non-printed products whether manufactured by your company or purchased for resale; and receipts for services provided and billed for such as inventory management, warehousing, systems design, etc.

II. **Employee Breakdowns**

Operating Statement

Item

1 VALUE OF PRODUCTION - Business Forms Manufactured and Sold

Work in Process and Finished Goods ... Beginning of Period ... End of Period -- The inventory of work in process and finished goods at the beginning of the period is deducted from Net Sales, and the inventory of work in process and finished goods at the end of the period is added, to obtain the Value of Production for the period.

Direct Materials Used

2 Paper -- Including Carbon-less Paper and Freight Expense, -- Do not decrease the cost of paper by sale of scrap and plates. These proceeds should be included in other income (line 51).

3 Carbon Paper -- Includes freight expense. Include here the direct cost of carbon paper manufactured for your own use.

4 Other Direct Materials -- Trade composition, binding, ink, cartons and other materials.

5 Outside Finished Products -- Cost of forms manufactured in their entirety by others and sold without further processing in your plant.

These accounts (items 2 through 5) adjusted for changes in raw material inventory, summarize the cost value of materials and outside purchases chargeable to customers or used to increase finished goods or work-in process inventories during the period.

Item

Factory Payroll

7 Supervisory Salaries -- This account will be restricted to the compensation earned by the following factory personnel: Plant manager, plant supervisor and foreman (restricted to the following direct department foreman), prepress foreman, press foreman, collator foreman, and general bindery foreman, and an allocation of compensation earned by executives for time devoted to factory production, and to preparation and scheduling thereof.

Wages-Direct -- This account shows wages, to include vacations, holidays, sick pay, and overtime premiums paid to factory employees (including apprentices and helpers) directly engaged in production. The category has been broken down as follows: (See Item II Employee Breakdowns, classifying employees - split time to allocate time spent in more than one job.

8 Prepress -- Artists, designers, strippers, hot and cold typesetters, camera operators, plate makers, and other preparatory department employees.

9 Press - Press Operators and Helpers.

10 Collator Operators -- Roll collator operators and helpers.

11 General Bindery -- Operators of tippers, drills, stitchers, paper cutters, film or shrink-wrapping machines, wrappers, and packagers (do not include general shipping room labor when engaged only in placing product in the carton), belt folders, interleavers, and padders.

12 Total Paid to Direct Employees -- The total direct wages paid to employees including overtime amounts shown in item 13.

13 Direct Employee Overtime Wages -- Includes overtime and premium time pay. These amounts are to be included in item 12 above.

14 General Factory Salaries and Wages -- This account will be restricted to the wages of all factory employees other than those covered under supervisory salaries, wages direct, packing and shipping, and delivery wages. Wages should include compensation for vacations, sick leave, holidays, bonuses, and overtime premiums. Examples of employees in this category will be as follows: Warehouse and material handlers, baler operators, maintenance (plant and machine), janitorial help, watchmen, foreman of any nondirect labor department, secretaries to factory supervisors, production clerk/typists, order editors, production planners, production schedulers, production control, inventory clerk (raw materials), expeditors, change coordinators; job ticker and negative file clerks, quality control, and industrial engineers.

15 Packing, Shipping, and Delivery Wages -- This account includes shipping clerks, traffic and routin clerks, packers (not to be confused with packagers which are included in the direct wage account general bindery), truck drivers, and shipping department foremen.

16 Payroll Taxes (Federal, state, local) -- This account is charged with government taxes for retirement, unemployment benefits, etc.

Item

17 Employee Benefits -- This account is charged with premiums or other expense of disability or sick benefit insurance or plans, life insurance, pension, retirement or profit-sharing plans, etc. as they cover factory employees.

18 Total Payroll -- does not include line 13.

FACTORY EXPENSES

Factory Fixed Expenses -- Only those which relate to manufacturing facilities.

19 Occupancy Expense -- Rent, heat, utilities, leasehold improvements, building depreciation and amortization, and building maintenance.

20 Insurance -- Real estate, property, and strike insurance.

21 Taxes -- Real estate and property.

22 Depreciation -- Current charge to accumulated depreciation accounts of fixed assets. Payments for rent or lease of machinery or equipment are, for purposes of this report, included as depreciation. (See Balance Sheet definitions, Fixed Assets)

23 Total Factory Fixed Expenses

24 Other Factory Supplies and Expenses

Prepress Supplies and Expense -- Film plates, chemicals, parts, repairs, etc.

Press Supplies and Expense -- Numbering machines, recovering rollers, fountain solutions, blankets, punches, dyes, perf wheels, parts, repairs, etc.

Collator Supplies and Expense -- Includes glue, perf rules, parts, repairs, etc

General Bindery Supplies and Expense-- Supplies, boxes (not cartons), film wrap, staples, twine, etc.

Packing and Shipping Materials and Supplies -- Include freight cost in item 46.

26 FACTORY COST OF PRODUCTION -- This item is the sum of the Material Used, Factory Payroll, and Factory Expenses items noted above.

27 GROSS PROFIT - FORMS MANUFACTURING -- The credit remaining after deducting Factory Cost of Production from Value of Production - Forms Manufacturing.

OTHER OPERATIONS

Many predominantly business forms companies manufacture, and or sell other products and services. The sales value and costs of these other operations should not be included in the report on forms manufacturing activities. Alternately, the administrative and selling

Item

OTHER OPERATIONS (cont'd)

expenses incurred in these other activities often cannot be logically separated from the forms operation. This is also especially true of reporting the financial position on the balance sheet.

For those companies which cannot logically separate these operations, the IBFI Standard Classification provides a standardized treatment of these items so that the ratios of all companies are roughly comparable.

28 Value of Other Products and Services -- Net sales (Item I.H.) adjusted for changes in work in process and finished goods inventories.

If the value of these other products or services are included in the price of forms, (and therefore within Items I. A through E), and they are substantial enough to understate your Cost of Forms Manufacturing ratios, some separation from the sales and costs of forms is desirable. The Chart of Accounts recommends computing the Value of Other Products and Services by applying a reasonable or representative mark-up to the cost of producing or providing these products or services. Be sure that this computed Value of Other Products or Services is not also included in Item 1, Value of Production - Forms Manufacturing or in Item I, F, Business Forms Sales.

29 Cost of Other Products and Services -- The direct costs, excluding administrative and selling expenses, of producing or providing these other products or services.

30 Gross Profit - Other Products and Services -- The credit remaining after deducting costs from the value of these other operations.

31 Gross Profit - All Operations -- Item 27 plus Item 30. The ratio for Gross Profit - All Operations and all following ratios are computed as a percent of Total Value of All Products and Services (Item 1 plus Item 28).

Administrative Expenses

32 Administrative Expenses-Salaries, Executive -- Includes total compensation paid to President, Treasurer, all officers active in the business, General Manager, Administrative Assistants, Controller, Accounting Supervisor, Credit Manager, Data Processing Supervisor, Director of Purchases, and Director of Personnel. If an executive spends a portion or all of his time in such areas as sales, or general plant superintendent, his salary should be allocated to those cost centers based on the percentage of time expended in each area.

33 Salaries, Office -- Includes office personnel such as secretaries to administrative executives, purchasing agent, billing clerk, bookkeeper, general file clerk, switchboard operator, data processing personnel, office manager, and finished goods inventory clerk.

34-35 Payroll Taxes-Employee Benefits -- These accounts are charged with items similar to those listed under the same classifications in Factory Payroll, as they apply to Administrative Employees.

Item

36 General Office Expense -- This account covers all of the various general expenses such as office supplies and services (towels, minor repairs to office machines, etc.), stationery, postage, telephone and telegraph, legal and accounting fees, donations, dues, fees, and expenses of membership in trade and other associations (not primarily for selling), travel expense (not primarily for selling), space or occupancy expense, etc.

37 Bad Debts -- This account provides for losses on uncollectible accounts. Some firms also include cost of credit reports, and collection expenses such as legal fees, court costs, etc.

Selling Expenses

39 Selling Expenses-Salaries, Executive -- Includes compensation to sales managers who do not primarily solicit sales, direct or dealer, marketing manager, sales trainer, sales administrator, sales promotion manager, advertising manager, and sales service manager.

40 Salaries and Commissions, Salesmen -- This account is charged with salesmen's salaries and commissions in connection with selling.

41 Sales, Sales Office Clerical Includes salaries of the estimator, sales service personnel, secretaries and stenographers working with sales, and order writers.

42-43 Payroll Taxes-Employee Benefits These accounts are charged with items similar to those listed under the same classifications in Factory Payroll, as they apply to Sales Department Employees.

44 Travel and Entertainment Expense -- Travel and miscellaneous expenses (such as entertainment of customers and prospects) are charged to this account.

45 General Selling Expense -- Space or occupancy expense, office supplies, telephone, etc.

46 Shipping and Delivery Expense -- This account includes such items as freight, express, parcel post, outside delivery services, etc. Report the net expense after delivery to the customer, i.e., the total difference between the amounts billed to the customer and the amounts paid for transportation expense to the customer.

47 Advertising -- Charge to this account the cost of mailing lists bought or compiled; the expense of preparing, printing, and mailing the firm's advertising; the cost of newspaper, radio or television advertising or promotion; directory, novelty, and other forms of advertising.

50 OPERATING INCOME OR LOSS -- This is the credit (Operating Profit) that remains after subtracting Total Administrative and Selling Expenses from Gross Profit. If the expenses exceed the Gross Profit, the difference is an Operating Loss.

Other Income and Expense

51-52 Other Income -- Include sale of paper scrap and plates in item 51.

54-55 Other Expense -- This category breaks out separately interest expense and miscellaneous other expenses.

Item

57 Net Other Income or Expense – This is the net difference between Other Income and Other Expense. If the net balance is Income, it is, of course, added to Operating Income; if the net balance is Expense, it is deducted from Operating Income.

58 NET INCOME OR LOSS (before Income Taxes)

Balance Sheet

ASSETS

Current Assets

100 Cash --This account shows cash in bank and on hand.

101 Notes and Accounts Receivable -- This account shows as a balance the face value of all notes and outstanding charges held against others.

102 Allowance for Bad Debts -- This makes provision for possible losses from uncollectible customers' accounts.

104-108 Inventories -- Raw Materials, Finished Products, Work in Process, and Other Inventories.

109 Other Current Assets -- Shows other current assets not already listed, such as prepaid expenses, etc.

Fixed Assets

111 Real Estate, Land, Buildings -- Represents the gross cost or value of these investments. For purposes of this report, leaseholder should capitalize their rental expense. In several states an acceptable formula is to multiply your annual rent by 8. The liability could be reported in item 98, long-term liabilities

112 Allowance for Depreciation on Buildings -- Measures the estimated cumulative depreciation.

114 Machinery and Equipment -- Capitalize leases as in item 111.

115 Allowance for Depreciation on Machinery and Equipment -- Measures the estimated cumulative depreciation.

117 Other Fixed Assets -- This account shows all other fixed assets not listed above.

118 Allowance for Depreciation on Other Fixed Assets -- Measures the estimated cumulative depreciation.

121 Other Assets -- Covers any other assets not listed above.

Item

LIABILITIES

Current Liabilities

123 Notes Payable Within One Year -- This account shows obligations of the business, such as negotiable paper or other written promises, which the firm is to pay within one year.

124 Accounts Payable --Shows the liability of the business for the total of balances owed creditors and due currently.

125 Other Current Liabilities -- This account shows all other obligations payable within one year.

127 Long-Term Debt -- This account shows long-term obligations of the business, in excess of one year (do not include current portions of debt).

128 Other Long-Term Liabilities -- Such as deferred taxes and deferred income.

131 NET WORTH -- This account equals total assets minus liabilities. It includes any of these capital accounts:

Corporation Capital Stock, Issued and Outstanding -- This account represents the aggregate par or stated value of the original and subsequent investments made by stockholders in the Common or Preferred Stock of a corporate form of business, less any subsequent redemptions.

Corporation Surplus and Undivided Profits (Retained Earnings) – This account, usually found only on the books of a corporation, shows the cumulative earnings of the business not distributed as dividends and not specifically reserved for some definite purpose.

Proprietary Capital (Individual Proprietorship or Partnership) -- This account shows the present net worth or net capital of the individual proprietorship or partnership form of business.

CLASSIFYING EMPLOYEES

Part Time Employees

One of the important facts shown in the IBFI Ratio Study is the number of full-time employees in the average firm. This is the basis for computing the highly significant Pay per Employee, and Production or Sales per Employee.

It is necessary, therefore, that your listing of the number of employees in your firm be reasonably accurate. Note that the information requested is the average number of **"full time"** employees.

If your firm has a substantial number of part time employees you should count them as a proportionate number of full time employees. For example, if you have 20 part time employees who work an average of 3 months (¼ of a year), they would be equivalent (¼th of 20) to 5 full time employees.

Classifying Employees-Split Time

It is also important that employees be classified correctly as between Factory, Administrative (office), and Selling. There are some employees whose functions overlap into two or more of these areas. For any employees, especially Executives, whose time and effort are divided between Factory (Production), Administrative and/or Selling, accuracy requires that their salaries or wages be split or apportioned accordingly.

If only a minor amount of the executive's or employee's time is split, he should be classed, and his entire wage or salary apportioned to his predominant function – Factory, Administrative, or Selling. Where a split is indicated, a reasonable estimate of the split or apportionment is all that is necessary. The same rule applies to allocating production employee time between departments or jobs.

Estimators: If their function is primarily to prepare estimates for sales purposes, they should be classed as Selling Clerical. If their time is split between preparing sales estimates (Selling), checking Job Cost Sheets and preparing them for billing (Administrative), and/or compiling production records and standards (Factory), their time (salaries) should be split and apportioned accordingly.

Production Control or Scheduling: Employees who schedule and follow jobs through production to completion and delivery, should be classed as General Factory regardless of whether the work is done in the plant or in the office.

Sales Expediters: Employees whose primary job is to take over from salesmen the details of job preparation (ordering art work, photos and photo-engraving, maintaining customer contact for copy, proofs, etc.), should be classed as Selling Clerical. If they also follow jobs through the plant for production or production scheduling (Factory), their time (salaries) should be split accordingly between Selling Clerical and General Factory.

Purchasing Agents: Employees who specify and order paper, ink, and other Materials and Factory Supplies, should be classed as General Factory.

In Classifying employees, the function of the employee is the important consideration, not where the work is performed. Where doubt exists as to classification or split, preference should be given first to Factory, then to Selling, and finally to Administrative.

Proprietor's and Partner's "Salaries"

Proprietors or Partners should always include in their expenses of the business an adequate "salary" for their services, even if it is not actually drawn regularly. Otherwise, the real comparable profits of an unincorporated business may be grossly overstated. Of course, these "salaries" must later be deducted from expense in making tax returns. But they should be included in the expenses shown in IBFI Ratio reports from proprietorships and partnerships.

These Proprietor's or Partner's "salaries" should always be apportioned between Factory, Administrative and Selling according to reasonable estimates of time spent on each of these phases of the business, as explained above.

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1730 North Lynn Street, Arlington, Virginia 22209

OPERATING COST SCHEDULE FOR BUSINESS FORMS COMPANIES

International Business Forms Industries/PIA
1730 North Lynn Street
Arlington, Virginia 22209

Fiscal year ended _____

Company code _____

Zip Code _____

Number of plants covered by this report _____

PLEASE!

Put all negative figures in parentheses.
Check your work.
Be sure to keep a copy.

READ THE DEFINITIONS BEFORE COMPLETING THIS REPORT
COMPLETED QUESTIONNAIRES SHOULD BE RETURNED NO LATER THAN MARCH 16

	To Dealers		To Consumers		Total
I. Sales by Product and Distribution					
Business Forms:					
A. Continuous Custom	$_____	+	$_____	=	$_____
B. Continuous Stock	_____	+	_____	=	_____
C. Unit sets	_____	+	_____	=	_____
D. Sales/manifold book	_____	+	_____	=	_____
E. Commercial printing and other forms	_____	+	_____	=	_____
F. **Total products manufactured** *(sum of A-E)*	$_____	+	$_____	=	$_____
G. Forms manufactured in their entirety by others	_____	+	_____	=	_____
H. Services and other products	_____	+	_____	=	_____
I. **Total Sales** *(sum of F-H)*	$_____	+	$_____	=	$_____

II. Employee break-downs *(numbers of all paid employees including executives, partners, or owners):*

J. Factory *(average)* _____

K. Administrative *(average)* _____

L. Sales Department *(average)* _____

M. Total employees *(sum of J-L)* _____

III. Average Order Size—number of sets in an average order *(check one):*

☐ Under 10M ☐ 10-25M ☐ 26-50M ☐ 51-100M ☐ Over 100M

Omit Cents | Omit Cents

FORMS MANUFACTURING

Computation of Value of Production—Forms Manufacturing

Net sales for latest fiscal year *(item F from page 1)*		
Less work in process and finished goods, beginning of year balances		
Add work in process and finished goods, end of year balances		
1a. Value of products manufactured		
1b. Outside purchases *(item G from page 1)*		
1. **Value of Production—Forms Manufacturing** *(1a. plus 1b.)*		
Cost of Production:		
Materials:		
2. Paper		
3. Carbon		
4. Other *(trade composition, binding, ink, carbons)*		
5. Outside finished products		
6. Total materials used *(sum of items 2-5)*		
Factory Payroll:		
7. Supervisory salaries		
Direct Wages *(including overtime but not payroll taxes or benefits)*		
8. Prepress		
9. Press		
10. Collator Operators		
11. General binders		
12. Total paid to direct employees *(sum of items 8-11)*		
13. Direct employee overtime wages *(included in 12 above)*		
14. General factory salaries and wages		
15. Packing, shipping, and delivery wages		
16. Payroll taxes for all employees		
17. Employee benefits for all employees		
18. Total factory payroll *(sum of items 7, 12, 14, 15, 16, 17; exclude line 13)*		
Factory Fixed Expenses:		
19. Occupancy expense		
20. Insurance		
21. Taxes *(real estate, property)*		
22. Depreciation		
23. Total factory fixed expenses *(sum of items 19-22)*		
24. Other factory supplies and expense		
25. Total factory expense *(sum of items 23, 24)*		
26. Total cost of production *(sum of items 6, 18, 25)*		
27. Gross profit—Forms Manufacturing *(item 1 less item 26)*		

	Omit Cents	Omit Cents

OTHER OPERATIONS

28. Value of other products or services *(item H adjusted for changes in inventories)*		
29. Cost of other products or services		
30. Gross Profit—Other Products or Services *(item 28 less item 29)*		
Forms Manufacturing and Other Operations		
31. Total Gross Profit—All Operations *(item 27 plus or minus 30)*		
Administrative Expenses		
32. Salaries, executive		
33. Salaries, office		
34. Payroll taxes		
35. Employee benefits		
36. General office expense		
37. Bad debts		
38. Total administrative expense *(sum of items 32-37)*		
Selling Expense		
39. Salaries, executive		
40. Salaries and commissions, salesmen		
41. Salaries, sales office clerical		
42. Payroll taxes		
43. Employee benefits		
44. Travel and entertainment expense		
45. General selling expense		
46. Shipping and delivery expense		
47. Advertising		
48. Total selling expense *(sum of items 39-47)*		
49. Total administrative and selling cost *(items 38 and 48)*		
50. Operating income (loss) *(item 31 less item 49)*		
Other Income and Expense *(Please be sure to put negative items in parentheses)*		
51. Gross proceeds from sale of scrap		
52. Other income		
53. Total other income *(items 51 & 52)*		
54. Interest expense		
55. Other expense		
56. Total other expense *items 54, 55)*		
57. Net other income (expense) *(item 53 less item 56)*		
58. Net income (loss) before income taxes *(item 50 plus or minus item 57)*		

	Omit Cents	Omit Cents
Current Assets		
100. Cash		
101. Notes and accounts receivable		
102. Less allowance for bad debts		
103. Net receivables *(item 101 less item 102)*		
Inventories		
104. Raw materials		
105. Finished products		
106. Work in process		
107. Other inventories		
108. Total inventories *(sum of items 104-107)*		
109. Other current assets		
110. Total current assets *(sum of items 100, 103, 108, 109)*		
Fixed Assets		
111. Real estate *(land and building)*		
112. Less allowance for depreciation on buildings		
113. Net real estate *(item 111 less 112)*		
114. Machinery and equipment		
115. Less allowance for depreciation on machinery and equipment		
116. Net machinery and equipment *(item 114 less item 115)*		
117. Other fixed assets		
118. Less allowance for depreciation		
119. Net other fixed assets *(item 117 less item 118)*		
120. Total fixed assets *(items 113, 116, 119)*		
121. Other Assets		
122. Total assets *(items 110, 120, 121)*		

LIABILITIES AND NET WORTH

Current Liabilities		
123. Notes payable within one year		
124. Accounts payable		
125. Other current liabilities		
126. Total current liabilities *(sum of items 123-125)*		
127. Long-term debt		
128. Other long-term liabilities		
129. Total long-term liabilities *(sum of items 127 and 128)*		
130. Total liabilities *(items 126, 129)*		
131. **Total net worth** *(item 122 less 130)*		
132. **Total liabilities and net worth** *(items 130 and 131)* *(item 132 = 131 + 122)*		

NAME OF PERSON TO CONTACT IN CASE OF QUERIES: _____

International Business Forms Industries, Inc., a worldwide trade association of over 410 forms manufacturers and their suppliers, is dedicated to providing a positive industry environment through programs in management, economic and market research, technical research and manufacturing.

Printing Industries of America, Inc. is the largest trade association in the world meeting the needs of the printing and allied industries. It is composed of the following divisions:-Master Printers of America and the Union Employers of America; the following departments:-Association Relations, Government Affairs, Management Services (including Insurance) and Public Relations; the following special interest sections:-Binding Industries of America, Conference Board of Major Printers, Financial Printers Association, Graphic Arts Equipment and Supply Dealers Association, Graphic Arts Marketing Information Service, Association of Graphic Arts Consultants, Graphic Communications Computer Association, International Book Printers Association, International Thermographers Association, Label Printing Industry Section, Lithographic Preparatory Services Association, Magazine Printers Section, National Composition Association, National Association of Lithographic Plate Manufacturers, Non-Heatset Web Section, Printing Industry Credit Exchange, Security Lithographers Section, Web Offset Section and Yearbook Printers Association. PIA has local and regional affiliated associations operating in the major graphic arts centers in the United States. Affiliated International Association: International Business Forms Industries, Inc.

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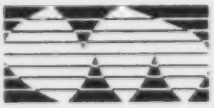

International Business Forms Industries, Inc./PIA, 1730 North Lynn St., Arlington, VA 22209 (703) 841-9191

Ratio Study

1981–82 Edition

International Business Forms Industries, Inc.

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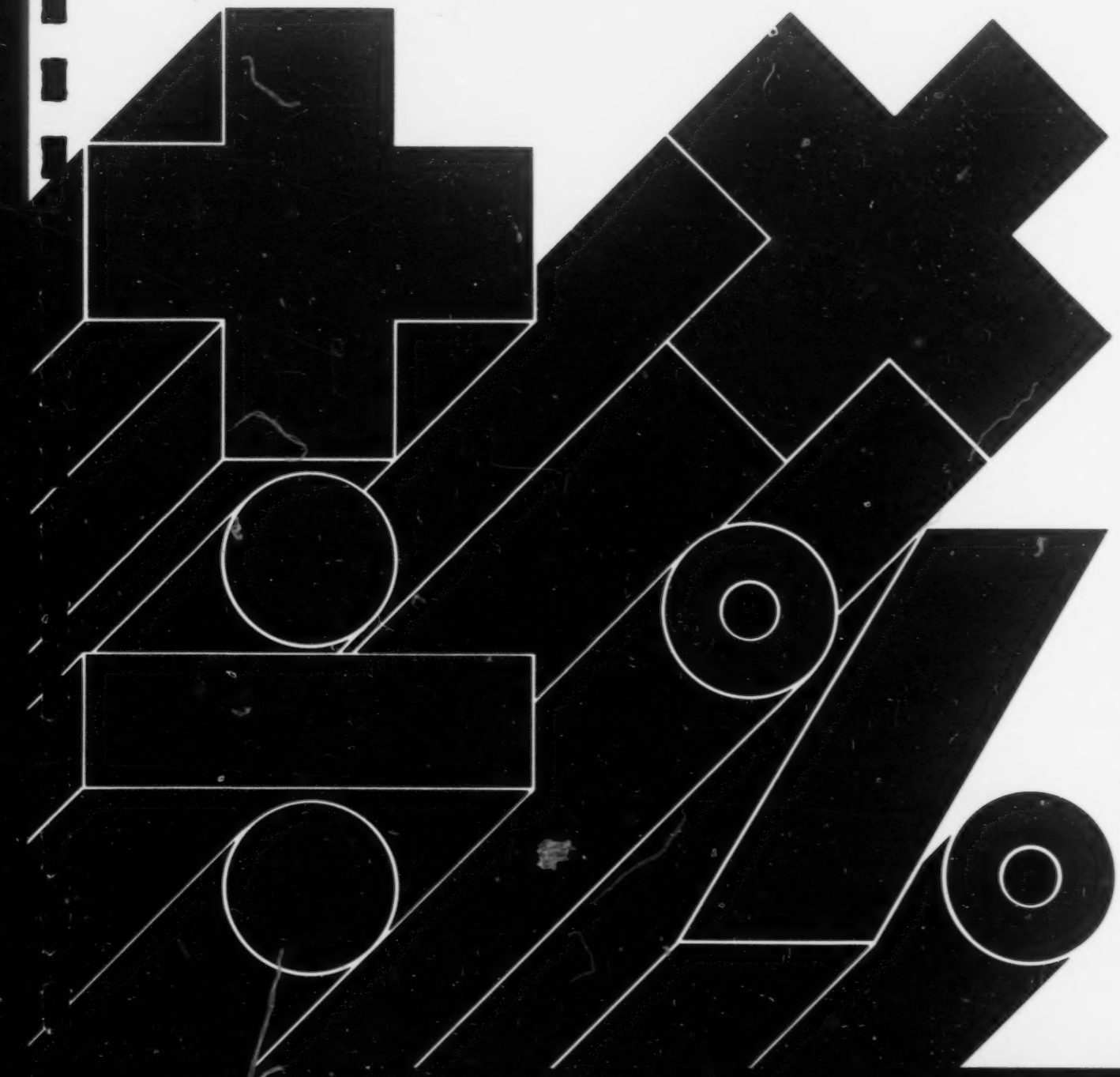

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1981-82 ANNUAL RATIO STUDY

Prepared at the direction of the IBFI Financial Management Committee of International Business Forms Industries, Inc./PIA, for the benefit of the Industry and its customers.

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Norman McLeod . . . . . Director, Economic and Market Research
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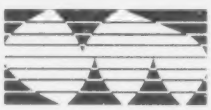
International Business Forms Industries, Inc.



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INTRODUCTION

A NOTE TO PARTICIPANTS IN THIS SURVEY

This report was prepared with the assistance of Feddeman, Lesche Inc. This is a Washington, D.C. - based accounting and financial consulting firm which has built up an impressive familiarity with the special needs of trade associations and their memberships. Feddeman, Lesche takes every possible step to protect the confidentiality of participants' financial data while a dual coding system ensures that neither IBFI nor Feddeman, Lesche can identify specific questionnaires with specific names.

Feddeman, Lesche conducted the study according to the IBFI Guidelines for Research Programs. While the source data used to prepare the various schedules were not audited by them, they did review the reports for completeness, accuracy and plausibility. Where necessary, participants were contacted on questionable items. Published data does not include information based on fewer than three responses nor does it include information in which more than 60 per cent of the observed variable is due to a single response.

Please remember that comparing the data in this report with that in reports published in prior years can be misleading unless great care is taken. Although the bulk of the participants make an annual response to this survey, in any given category the sample can change quite significantly.

Sincerely,

Norman McLeod

Norman McLeod
Director, Market and Economic Research

FEDDEMAN & LESCHE
CERTIFIED PUBLIC ACCOUNTANTS

TELEPHONE (202) 466-5876

1226 SEVENTEENTH STREET, N. W.
WASHINGTON, D. C. 20036

To Participants
International Business Forms
Industries, Inc.
Operating Cost Survey

We have tabulated the International Business Forms Industries, Inc. Operating Cost Survey for the year ended December 31, 1981.

Seventy-five companies participated in the survey. All participants will receive individual reports which have been prepared in confidence by Feddeman & Lesche.

The data shown are derived from amounts reported to us by the participants. Source data should not be construed as having been audited by us; however, we have reviewed the questionnaires for clerical errors and missing data and, where necessary, corresponded with the reporting companies on questionable items.

If you have any questions regarding this report, please do not hesitate to contact us.

Very truly yours,

Feddeman & Lesche

Enclosures

Executive Summary

The forms marketplace in 1981 was characterized by satisfactory total sales levels, especially if compared with the experiences of most other manufacturing industries, but heavy pressure on margins.

This apparent paradox can be explained by a combination of various factors. One key factor is continued erosion of value-added. More forms are being converted from custom to stock, and one-part forms are replacing multi-part forms, though at the same time certain high-value-added specialty products are also flourishing. Another factor is serious over-capacity in production equipment, especially that devoted to long-run stock and medium-aggressive discounting by some of the larger firms in the industry.

It should, therefore, be no surprise that the average forms manufacturer's pre-tax profit fell by 30% compared with 1980, and that hardly half as many companies can be found in the "profit leaders" category. Gross margins were also eroded, though less dramatically. The smallest firms suffered most, as did larger companies with positions in the unit set market.

1982 financial results are not likely to be any better. If the promised second-half recovery does not materialize, results could be weaker than 1981. Even if the recovery does come to pass, it is not anticipated that markets will demonstrate any real strength until 1983.

Norman McLeod
Director, Market & Economic Research

MAKING THE RATIOS PAYOFF

Looking for Differences: The Law of Exception

Analyzing the Ratio Study can be a source of money-saving, profit-making ideas for your company. Improper use of the ratios can also be the source of disaster. The ratio results were not meant to be the last word on how things ought to be. They only describe how a group of different companies have performed under a variety of conditions. Literally accepting and applying the ratios as company goals could mean adopting a company strategy that is wholly inappropriate for the circumstances that the company finds itself in.

The key to successful use of the Ratio Study is recognizing that there will be differences between your company and the ratio averages. Some of these differences are because of the products you sell, or the way you market, or the size of your operation. The different arrays in the Ratio Study help to take these things into account. Other differences exist because of the way you have organized your company and directed its resources to getting the job done. These are the differences you ought to be looking for in the ratios. The Law of Exception states that the key to controlling your company is identifying the differences between your firm and the industry and then determining why your firm is an exception.

Seven Rules for Ratio Analysis

Before plunging ahead, it's important to keep in mind that numbers are not always what they seem. Any analysis of the ratios should look behind the numbers to see what they are composed of and how they are computed. Following these seven rules should help avoid being misled by the numbers.

1. Compare like items and numbers. Make sure that your accounts follow the IBFI Chart of Accounts so that each line item is comparable to the ratio averages. This chart of accounts is included at the end of the book.

2. Analyze all substantial deviations from the norm, both highs and lows. There are two messages in this rule. The first is not to squander time on small differences. You might want to limit analysis to only those items where you are some percentage, like 25% for instance, higher or lower than norm. The second point is to look at both highs and lows. Many companies tend to look at only the items where they exceed the ratios, forgetting that low items may point to some strength that oculd be used to advantage.

3. Ignore isolated numbers. Look at more than one ratio before coming to any conclusions.

4. Look at both the numerator and the denominator. A ratio is usually made up of one number divided by another, each one of which could be the source of the deviation.

5. Recognize compensating advantages. Salaries and benefits to owners of closely-held companies, for instance, may be higher than those paid to managers of publicly-held companies while profits may be lower.

6. Consider seasonal variations. The industries you serve may have a different cycle than the norm.

7. Critically review trends. Look at the direction of changes in your ratios over a number of years.

A Constructive Approach to Analysis

Once you are sure of the numbers behind the differences, the hardest task is figuring out the reasons for these differences in a constructive way. That means not making qualitative judgements about whether the differences are good or bad and especially not putting anyone on the defensive. A well-regarded forms executive described his very simple approach to the ratios which is worth passing on. He grouped his various cost centers according to the ratio chart of accounts. He then removed his company's information from the ratio averages. (A simple process since the ratios are unweighted averages. Simply multiply the published ratio by the number of firms, subtract your ratios from that result and divide by the number of firms minus yours.) He compared the results to find any that differed from his, even in different size companies. Then he tried to figure out why or how the differences occurred. The people with the responsibility for each cost center were given his facts and analyses of the results, but were not put on the defensive. He describes the process as kind of a game which resulted in a healthy approach to improvement, better efficiency, and sometimes lower costs. His firm, incidentially, has been in the "profit Leaders" category in each of the last 10 years!

Sources of Difference

Finding valid reasons for differences is not always easy. Perhaps the following can provide the beginning of a checklist.

Product Complexity - Generally increasing product complexity means higher value added. It could also explain why some cost centers, where the complex work is done, are higher than average while others are lower. More complexity may also require higher capital investment; more highly skilled, higher paid people, or more working capital. The following are possible variations of product complexity:

a. Custom design versus stock or stock format
b. Number of parts and variablity of copy between parts
c. Amount of copy
d. Use of color
e. Use of special materials
f. Number and kinds of processing operations required

Manufacturing Capabilities - The resources that a firm has available in terms of equipment and people not only affects the levels of costs and investment but also may account for different distribution of costs among various cost centers. Among the considerations are:

a. Camera-ready copy versus in-house composition
b. Age, size and speed of presses and collators
c. Use of unit presses
d. Degree of equipment specialization
e. In-house carbon coating
f. Scale of the operation

Production Management - The way a company has organized its resources and its approach to each particular job affects value added, profitability, working capital requirements, in fact, just about every ratio there is. Some of the more significant management activities are:

a. Plant layout; work flow
b. Scheduling; manning
c. Inventory control; waste management
d. Number of shifts; use of overtime
e. On-line versus off-line operations; split of processing operations among presses, collators, other equipment.
f. Make or buy decision
g. Training and supervision
h. Manufacture to stock or to order

Markets Served/Market Strategies - Marketing decisions affect the kind of work that comes in, how well it fits the company's capabilites, how profitable it will be, and even how the product will be made. Marketing strategies will also impact on working capital requirements and capital investment decision. Some specific marketing activities are:

a. Order sizes
b. Discount policies
c. Credit policies
d. Pricing; concessions policies
e. Breadth of product line offered
f. Brokered business taken or given
g. Order turn-around
h. Dealer-direct mix
i. Customer services
j. Price list development
k. Size of market area

Alternative Analyses

The overall ratios in this report and the individual ratios mailed to each participant all set the value of sales equal to 100 and analyze costs and profits as a percentage of that value. Because the different marketing channels and product specialties in this industry can create sharply different costs of sales and gross profit percentages, the <u>real</u> differences are not always apparent. Another way to look at the results is on a cost of production basis. In this analysis the total cost of production is set equal to 100 and the line items which comprise it are computed as percentages. In many cases this analysis gives the best comparison of manufacturing efficiencies.

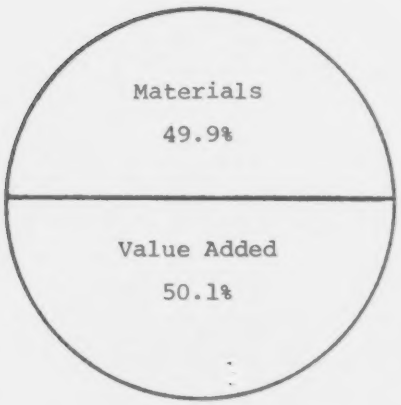
COST OF PRODUCTION ANALYSIS

	Materials						
	Paper	Carbon	Other	Total	Factory Payroll	Other Factory	TOTAL
ALL FIRMS	50.6	7.3	6.3	64.2	23.9	11.9	100.0
Leaders	41.3	6.9	8.5	56.7	30.9	12.4	100.0
Under $3 million	40.4	8.3	6.6	55.3	29.1	15.6	100.0
$3-8 million	39.6	8.9	7.2	55.7	29.6	14.7	100.0
$8-15 million	45.5	7.0	7.2	59.7	27.1	13.2	100.0
Over $15 million	55.6	6.9	5.8	68.3	21.2	10.5	100.0
Direct	52.0	6.9	8.0	66.9	22.0	11.1	100.0
Dealer	42.9	7.6	4.2	54.7	31.1	14.2	100.0
Direct, Custom	52.8	10.1	10.1	73.0	17.6	9.4	100.0
Direct, Unit Sets	34.1	7.0	15.1	56.2	29.7	14.1	100.0
Direct, Mixed	43.9	6.9	9.3	60.1	26.6	13.3	100.0
Dealer, Custom	44.0	5.9	4.3	54.2	31.8	14.0	100.0
Dealer, Unit Sets	41.9	10.1	4.4	56.4	29.0	14.6	100.0
Dealer, Mixed	40.3	9.7	2.6	52.6	32.2	15.2	100.0

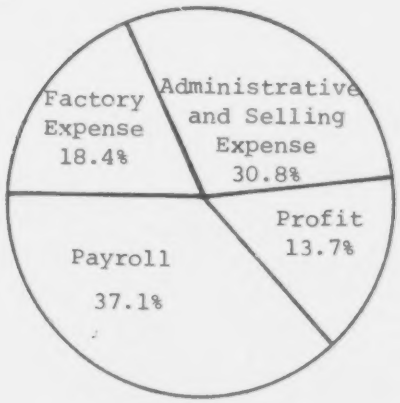
Value Added Approach

A second way to examine the ratios is to separate the cost of items the company buys from what the company puts into the finished product, that is, value added. Value added is the reflection of management's ability to successfully produce and sell the company's products. It is value added, not sales, that enable companies to meet the payroll, invest in equipment, and generate working capital for growth. In short, value added is what the company is all about.

Sales = 100%



Value Added = 100%



As the simple diagrams illustrate, suppliers take nearly half of the average firm's sales dollar, leaving only 50% of that dollar within management's control. Of course, that share varies from 20% to as high as 75% depending on the product. After product differences, the next major difference in value added among companies comes from market channel orientation since direct sales companies retain all of the value added that dealer sales companies must share with the distributor. A third major source of higher value added comes from pricing. Finally, the profit aspect of value added reflects the intrinsic value to the customer that the company has built into the product or the efficiency with which managers have organized to make the product.

VALUE ADDED ANALYSIS

	All Firms	Leaders	Under $3 Million	$3-8 Million	$8-15 Million	Over $15 Million
Sales	100.0	100.0	100.0	100.0	100.0	100.0
Direct Materials	49.9	40.3	42.5	44.0	47.4	52.5
Value Added	50.1	59.7	57.5	56.0	52.6	47.5
	(As Percent of Value Added)					
Factory Payroll	37.1	36.8	38.9	41.8	41.0	34.3
Factory Expense	18.4	14.6	20.7	20.8	19.8	17.1
Administrative Expense	11.6	10.1	18.1	11.9	9.2	11.6
Sales Expense	19.3	17.0	14.3	14.8	17.2	21.6
Profit	13.6	21.5	8.0	10.7	12.8	15.4
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

DIRECT

	All Firms	Continuous Custom	Unit Sets	Mixed Product
Sales	100.0	100.0	100.0	100.0
Direct Materials	50.4	57.5	42.3	43.9
Value Added	49.6	42.5	57.7	56.1
	(As Percent of Value Added)			
Factory Payroll	32.9	32.5	38.9	34.6
Factory Expense	16.5	17.5	18.4	17.3
Administrative Expense	11.2	10.8	15.7	10.7
Sales Expense	25.2	25.6	25.2	24.7
Profit	14.2	13.6	1.8	12.7
TOTAL	100.0	100.0	100.0	100.0

DEALER

	All Firms	Continuous Custom	Unit Sets	Mixed Product
Sales	100.0	100.0	100.0	100.0
Direct Materials	44.2	43.2	47.4	42.2
Value Added	55.8	56.8	52.6	57.8
	(As Percent of Value Added)			
Factory Payroll	44.9	44.7	46.3	44.7
Factory Expense	20.6	19.6	23.3	21.2
Administrative Expense	12.5	12.4	13.4	11.7
Sales Expense	9.0	8.8	8.7	9.3
Profit	13.0	14.5	8.3	13.1
TOTAL	100.0	100.0	100.0	100.0

ABSOLUTE DATA AND RATIOS FOR ALL FIRMS

ABSOLUTE DATA

	Number Firms	Total Sales	Value of Production (000)	Pretax Net Income (000)	Assets (000)	Number of Employees
ALL FIRMS	75	$808,068,058	$778,767,219	$51,493,177	$416,553,550	10,228
By Size:						
Under $3 million	19	35,272,290	33,717,616	1,023,646	16,818,627	668
$3-8 million	28	134,277,654	128,844,328	7,073,088	62,593,193	2,187
$8-15 million	12	128,662,434	122,956,417	9,183,694	88,446,372	1,725
Over $15 million	16	509,855,680	493,248,858	34,212,749	248,695,358	5,648
By Market:						
Dealer	36	245,663,954	244,979,264	16,879,409	131,133,425	3,967
Direct	34	464,605,172	438,249,927	27,093,916	225,249,037	5,397
Mixed	5	97,798,932	95,538,028	7,519,852	60,171,088	864
By Product:						
Continuous Custom:						
Dealer	12	142,178,466	141,933,269	11,508,104	77,945,277	2,071
Direct	3	29,260,366	27,136,514	1,708,985	18,408,706	273
Mixed	1	*	*	*	*	*
Unit Sets:						
Dealer	15	51,722,135	51,613,460	1,454,384	23,367,146	980
Direct	6	17,108,964	15,132,753	274,391	8,251,133	282
Mixed	0	*	*	*	*	*
Mixed:						
Dealer	8	43,377,970	43,377,970	3,358,202	20,882,751	765
Direct	21	303,036,948	281,921,919	19,759,474	152,621,636	4,081
Mixed	3	6,844,121	5,373,217	310,449	3,392,617	146
Continuous Stock:						
Dealer	1	*	*	*	*	*
Direct	4	115,198,894	114,058,741	5,351,066	45,967,562	764
Mixed	1	*	*	*	*	*
By Average Order Size:						
Under 10,000 impressions	21	153,456,536	146,218,996	14,342,757	76,775,511	2,524
10-25,000 impressions	39	306,171,885	291,983,967	19,320,311	153,290,921	4,311
25-50,000 impressions	9	151,430,392	147,233,924	7,645,832	76,006,952	1,493
50-100,000 impressions	5	162,284,446	158,853,476	7,557,176	96,426,718	1,765
Over 100,000 impressions	1	*	*	*	*	*

*Insufficient Data

NOTES ON COMPUTING RATIOS

Gross plant investment is the total of all fixed assets before depreciation. Investment used to compute ROI is gross plant investment plus current assets.

Inventory turnover is expressed as times per year. It is total value of production divided by total inventories.

Days raw materials in inventory is computed by dividing raw materials inventory by total materials used divided by 365 days.

Collection days of receivables is computed by dividing accounts receivable by value of production divided by 365 days.

Cash flow ROI is computed by multiplying pretax net income by 50% and adding depreciation. Net losses are deducted from depreciation.

Other ratios are self-explanatory. See the chart of accounts for a description of items included in each account.

	I.B.F.I. ALL FIRMS	I.B.F.I. LEADERS
VALUE OF PRODUCTS MANUFACTURED	97.37	96.93
OUTSIDE PURCHASES	2.63	3.07
VALUE OF PRODUCTION	100.00	100.00
COST OF PRODUCTION		
MATERIALS		
PAPER	39.30	29.36
CARBON	5.66	4.90
OTHER	2.55	2.79
OUTSIDE FINISHED PRODUCT	2.36	3.27
TOTAL MATERIALS USED	49.87	40.32
FACTORY PAYROLL		
SUPERVISORY SALARIES	2.03	2.34
WAGES DIRECT		
PREPRESS	1.87	2.52
PRESS	4.88	5.61
COLLATOR OPERATORS	2.62	3.81
GENERAL BINDERY	1.01	.97
TOTAL DIRECT WAGES	10.38	12.90
DIRECT OVERTIME WAGES	.60	.43
GENERAL FACTORY SALARIES AND WAGES	2.42	2.37
PACKING SHIPPING AND DELIVERY WAGES	.98	.62
PAYROLL TAXES	1.18	1.19
EMPLOYEE BENEFITS	1.60	2.55
TOTAL FACTORY PAYROLL	18.58	21.98
FACTORY FIXED EXPENSES		
OCCUPANCY EXPENSE	1.64	1.91
INSURANCE	.22	.19
TAXES	.35	.36
DEPRECIATION	2.18	2.41
TOTAL FACTORY FIXED EXPENSES	4.39	4.87
OTHER FACTORY SUPPLIES AND EXPENSE	4.84	3.84
TOTAL FACTORY EXPENSE	9.23	8.72
TOTAL COST OF PRODUCTION	77.68	71.03
GROSS PROFIT-FORMS MANUFACTURING	22.32	28.97
OTHER OPERATIONS		
VALUE OF OTHER PRODUCTS OR SERVICES	.95	.58
COST OF OTHER PRODUCTS OR SERVICES	.62	.56
GROSS PROFIT OTHER PRODUCTS OR SERVICES	.33	.02
TOTAL GROSS PROFIT	22.65	29.00

	I.B.F.I. ALL FIRMS	I.B.F.I. LEADERS
ADMINISTRATIVE EXPENSES		
EXECUTIVE SALARIES	1.11	1.26
OFFICE SALARIES	1.70	2.05
PAYROLL TAXES	.23	.20
EMPLOYEE BENEFITS	.49	.41
GENERAL OFFICE EXPENSE	2.12	1.96
BAD DEBTS	.14	.15
TOTAL ADMINISTRATIVE EXPENSE	5.80	6.03
SELLING EXPENSE		
EXECUTIVE SALARIES	.80	.65
SALESMEN SALARIES AND COMMISSIONS	3.98	4.67
SALES OFFICE CLERICAL SALARIES	.77	.96
PAYROLL TAXES	.26	.24
EMPLOYEE BENEFITS	.43	.43
TRAVEL AND ENTERTAINMENT EXPENSE	.63	.43
GENERAL SELLING EXPENSE	1.25	1.25
SHIPPING AND DELIVERY EXPENSE	1.32	1.26
ADVERTISING	.21	.28
TOTAL SELLING EXPENSE	9.65	10.17
TOTAL ADMINISTRATIVE AND SELLING COST	15.45	16.20
OPERATING INCOME(LOSS)	7.20	12.80
OTHER INCOME AND EXPENSE		
GROSS PROCEEDS FROM SALE OF SCRAP	.42	.29
OTHER INCOME	.72	.77
TOTAL OTHER INCOME	1.14	1.06
INTEREST EXPENSE	1.24	.41
OTHER EXPENSE	.48	.20
TOTAL OTHER EXPENSE	1.72	.61
NET OTHER INCOME(EXPENSE)	.83-	.40
NET INCOME(LOSS) BEFORE INCOME TAXES	6.38	13.20
RETURN ON INVESTMENT	10.99	19.64
NUMBER OF COMPANIES	75	19

	I.B.F.I. ALL FIRMS	I.B.F.I. LEADERS
CURRENT ASSETS		
CASH	1.82	3.46
NOTES AND ACCOUNTS RECEIVABLE	26.39	25.19
LESS ALLOWANCE FOR BAD DEBTS	.56	.67
NET RECEIVABLES	25.83	24.52
INVENTORIES		
RAW MATERIALS	12.12	10.08
FINISHED PRODUCTS	5.32	3.87
WORK IN PROCESS	2.99	2.05
OTHER INVENTORIES	.22	
TOTAL INVENTORIES	20.66	16.00
OTHER CURRENT ASSETS	2.48	3.99
TOTAL CURRENT ASSETS	50.79	47.98
FIXED ASSETS		
REAL ESTATE	11.06	11.15
LESS ALLOWANCE FOR DEPRECIATION	2.09	2.77
NET REAL ESTATE	8.97	8.38
MACHINERY AND EQUIPMENT	46.45	44.39
LESS ALLOWANCE FOR DEPRECIATION	22.99	21.03
NET MACHINERY AND EQUIPMENT	23.45	23.36
OTHER FIXED ASSETS	4.22	2.92
LESS ALLOWANCE FOR DEPRECIATION	1.47	1.06
NET OTHER FIXED ASSETS	2.75	1.86
TOTAL FIXED ASSETS	35.18	33.60
OTHER ASSETS	14.04	18.42
TOTAL ASSETS	100.00	100.00
CURRENT LIABILITIES		
NOTES PAYABLE WITHIN ONE YEAR	4.87	3.43
ACCOUNTS PAYABLE	9.02	9.32
OTHER CURRENT LIABILITIES	6.56	7.08
TOTAL CURRENT LIABILITIES	20.45	19.84
LONG-TERM DEBT	16.70	15.03
OTHER LONG-TERM LIABILITIES	2.21	2.09
TOTAL LONG-TERM LIABILITIES	18.92	17.12
TOTAL LIABILITIES	39.37	36.95
TOTAL NET WORTH	60.63	63.05
TOTAL LIABILITIES AND NET WORTH	100.00	100.00

	I.B.F.I. ALL FIRMS	I.B.F.I. LEADERS
EMPLOYEES		
PERCENT FACTORY	72.61	73.85
PERCENT ADMINISTRATIVE	12.78	12.23
PERCENT SALES	14.61	13.92
PRODUCTIVITY		
SALES PER GROSS PLANT INVESTMENT	3.14	2.71
SALES PER FACTORY EMPLOYEE	108661	96840
SALES PER ADMINISTRATIVE EMPLOYEE	617465	584609
SALES PER SALES EMPLOYEE	540179	513699
SALES PER ALL EMPLOYEES	78903	71513
SALES LESS MATERIAL / FACTORY EMPLOYEE	54474	57790
FINANCIAL POSITION		
CURR ASSETS VS CURR LIABILITIES	2.48	2.42
LIABILITIES VS NET WORTH	.65	.59
DEBT VS EQUITY	.28	.24
PAYROLL		
PAYROLL PER FACTORY EMPLOYEE	17172	17662
PAYROLL PER ADMIN. EMPLOYEE	17385	19352
PAYROLL PER SALES EMPLOYEE	29973	32242
PAYROLL PER EMPLOYEE	19069	19899
PREPRESS % OF FACTORY PAYROLL	11.80	13.80
PRESS % OF FACTORY PAYROLL	30.89	30.73
COLLATOR OPERATOR % OF FACTORY PAYROLL	16.59	20.88
GENERAL BINDERY % OF FACTORY PAYROLL	6.38	5.32
OVERTIME WAGES % OF FACTORY PAYROLL	3.82	2.35
TOTAL PAYROLL % OF SALES	28.36	32.84
TAXES AND BENEFITS		
TAXES AND BENEFITS / FACTORY EMPLOYEE	3021	3626
TAXES AND BENEFITS / ADMIN. EMPLOYEE	4454	3511
TAXES AND BENEFITS / SALES EMPLOYEE	3737	3447
TAXES AND BENEFITS / EMPLOYEE	3309	3587
ASSET TURNOVER		
INVENTORY TURNOVER TIMES PER YEAR	9.38	9.90
DAYS RAW MATERIAL IN INVENTORY	45.80	57.58
COLLECTION DAYS OF RECEIVABLES	48.67	56.51
INVESTMENT		
NET WORTH % OF FIXED ASSETS	172.37	187.63
AVG GROSS PLANT INVESTMENT/FACT EMPLOY	34619	35745
PROFIT		
GROSS PROFIT % OF SALES	22.65	29.00
INCOME BEFORE TAX % OF SALES	6.38	13.20
PROFIT % OF NET WORTH	20.39	33.16
CASH FLOW (ROI)	9.25	13.41
RETURN ON INVESTMENT	10.99	19.64

PRODUCT MIX BY COMPANY SIZE

UNDER $3 MILLION

	% Direct	% Dealer	Total
Continuous Custom	5.9	27.4	33.3
Continuous Stock	-	-	-
Unit Sets	24.5	41.9	66.4
Salesbooks, Pegboard Systems	-	0.3	0.3
TOTAL	30.4	69.6	100.0

$3-8 MILLION

	% Direct	% Dealer	Total
Continuous Custom	16.3	26.4	42.7
Continuous Stock	3.2	-	3.2
Unit Sets	14.7	38.8	53.5
Salesbooks, Pegboard Systems	0.4	0.2	0.6
TOTAL	34.6	65.4	100.0

$8-15 MILLION

	% Direct	% Dealer	Total
Continuous Custom	19.4	36.4	55.8
Continuous Stock	6.4	5.8	12.2
Unit Sets	15.4	15.9	31.3
Salesbooks, Pegboard Systems	0.6	0.1	0.7
TOTAL	41.8	58.2	100.0

OVER $15 MILLION

	% Direct	% Dealer	Total
Continuous Custom	23.7	16.0	39.7
Continuous Stock	32.9	9.1	42.0
Unit Sets	10.1	6.6	16.7
Salesbooks, Pegboard Systems	1.3	0.3	1.6
TOTAL	68.0	32.0	100.0

ALL FIRMS

	% Direct	% Dealer	Total
Continuous Custom	21.0	21.5	42.5
Continuous Stock	22.1	6.6	28.7
Unit Sets	12.4	15.1	27.5
Salesbooks, Pegboard Systems	1.0	0.3	1.3
TOTAL	56.5	43.5	100.0

	UNDER $3 MILLION		$3-8 MILLION		$8-15 MILLION		OVER $15 MILLION	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
VALUE OF PRODUCTS MANUFACTURED	97.80	95.68	96.59	98.50	95.65	94.75	97.98	97.56
OUTSIDE PURCHASES	2.20	4.32	3.41	1.50	4.35	5.25	2.02	2.44
VALUE OF PRODUCTION	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
COST OF PRODUCTION								
MATERIALS								
PAPER	31.01	29.54	31.33	31.10	36.13	33.68	42.76	26.82
CARBON	6.39	5.73	7.02	6.81	5.57	6.56	5.28	3.52
OTHER	2.33	1.90	2.70	2.88	3.41	2.65	2.30	2.89
OUTSIDE FINISHED PRODUCT	2.74	3.71	2.97	1.15	2.30	2.04	2.19	4.44
TOTAL MATERIALS USED	42.47	40.88	44.02	41.94	47.40	44.92	52.54	37.67
FACTORY PAYROLL								
SUPERVISORY SALARIES	2.54	2.86	2.75	2.44	2.45	2.36	1.69	2.28
WAGES DIRECT								
PREPRESS	2.56	1.76	2.47	1.84	2.10	2.22	1.60	2.90
PRESS	6.51	5.39	6.00	5.72	5.48	4.91	4.32	5.91
COLLATOR OPERATORS	3.02	3.26	3.68	3.60	3.01	2.51	2.22	4.32
GENERAL BINDERY	1.73	1.42	1.36	.89	1.20	.82	.82	1.04
TOTAL DIRECT WAGES	13.82	11.84	13.50	12.05	11.79	10.86	8.96	14.17
DIRECT OVERTIME WAGES	1.06	1.02	.65	.39	.73	.71	.53	.28
GENERAL FACTORY SALARIES AND WAGES	2.15	2.43	2.46	2.28	2.95	2.22	2.29	2.46
PACKING SHIPPING AND DELIVERY WAGES	.98	.78	.87	.59	.84	.48	1.05	.69
PAYROLL TAXES	1.44	1.54	1.62	1.56	1.32	.97	1.01	1.17
EMPLOYEE BENEFITS	1.44	2.15	2.23	3.73	2.20	2.50	1.29	2.26
TOTAL FACTORY PAYROLL	22.36	21.59	23.43	22.64	21.55	19.38	16.30	23.03
FACTORY FIXED EXPENSES								
OCCUPANCY EXPENSE	2.46	2.51	2.20	2.26	1.68	1.84	1.43	1.80
INSURANCE	.32	.19	.34	.31	.20	.19	.18	.15
TAXES	.33	.31	.41	.18	.31	.28	.34	.46
DEPRECIATION	3.38	3.17	3.24	2.72	2.65	2.72	1.70	2.13
TOTAL FACTORY FIXED EXPENSES	6.49	6.18	6.19	5.47	4.84	5.04	3.65	4.54
OTHER FACTORY SUPPLIES AND EXPENSE	5.41	5.50	5.43	4.29	5.59	3.07	4.46	3.98
TOTAL FACTORY EXPENSE	11.90	11.68	11.62	9.76	10.43	8.11	8.11	8.52
TOTAL COST OF PRODUCTION	76.73	74.15	79.08	74.35	79.39	72.41	76.94	69.22
GROSS PROFIT-FORMS MANUFACTURING	23.27	25.85	20.92	25.65	20.61	27.59	23.06	30.78
OTHER OPERATIONS								
VALUE OF OTHER PRODUCTS OR SERVICES	2.28		.66	.99	.01	.03	1.11	.76
COST OF OTHER PRODUCTS OR SERVICES	1.75		.19	.82	.02	.05	.81	.75
GROSS PROFIT OTHER PRODUCTS OR SERVICES	.53		.47	.17	.01-	.03-	.36	.01
TOTAL GROSS PROFIT	23.80	25.85	21.39	25.82	20.60	27.57	23.42	30.78

	UNDER $3 MILLION		$3-8 MILLION		$8-15 MILLION		OVER $15 MILLION	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
ADMINISTRATIVE EXPENSES								
EXECUTIVE SALARIES	2.82	2.39	1.92	1.47	.90	1.23	.84	1.14
OFFICE SALARIES	3.39	1.63	1.69	1.72	1.25	1.24	1.70	2.56
PAYROLL TAXES	.39	.33	.22	.18	.13	.13	.24	.22
EMPLOYEE BENEFITS	.33	.16	.45	.45	.31	.41	.56	.40
GENERAL OFFICE EXPENSE	3.33	1.70	2.18	1.39	2.16	1.36	2.02	2.43
BAD DEBTS	.14	.07-	.20	.34	.08	.03	.13	.16
TOTAL ADMINISTRATIVE EXPENSE	10.40	6.14	6.67	5.56	4.83	4.40	5.50	6.51
SELLING EXPENSE								
EXECUTIVE SALARIES	.97	.69	.75	.61	1.17	.59	.71	.50
SALESMEN SALARIES AND COMMISSIONS	3.39	5.90	3.26	3.28	2.95	4.27	4.47	5.18
SALES OFFICE CLERICAL SALARIES	.84	.90	.84	.42	.91	.87	.70	1.17
PAYROLL TAXES	.27	.46	.30	.23	.25	.27	.26	.21
EMPLOYEE BENEFITS	.20	.36	.45	.42	.43	.40	.44	.46
TRAVEL AND ENTERTAINMENT EXPENSE	.69	.24	.48	.40	.80	.57	.62	.38
GENERAL SELLING EXPENSE	.78	.96	1.01	.94	1.50	1.41	1.27	1.29
SHIPPING AND DELIVERY EXPENSE	.75	1.04	.94	.93	.80	1.24	1.59	1.38
ADVERTISING	.33	.01	.24	.14	.21	.19	.19	.39
TOTAL SELLING EXPENSE	8.22	10.54	8.27	7.38	9.04	10.20	10.27	10.96
TOTAL ADMINISTRATIVE AND SELLING COST	18.62	16.68	14.94	12.93	13.87	14.60	15.77	17.47
OPERATING INCOME(LOSS)	5.18	9.17	6.45	12.89	6.73	12.96	7.65	12.91
OTHER INCOME AND EXPENSE								
GROSS PROCEEDS FROM SALE OF SCRAP	.19	.22	.49	.58	.49	.26	.40	.23
OTHER INCOME	.67	1.06	1.01	1.07	1.41	1.16	.47	.48
TOTAL OTHER INCOME	.86	1.28	1.50	1.65	1.90	1.42	.88	.71
INTEREST EXPENSE	1.73	.63	1.36	1.07	1.31	.66	1.17	.09
OTHER EXPENSE	.25	.76	1.28	.21	.25	.51	.34	.03
TOTAL OTHER EXPENSE	1.98	1.38	2.64	1.29	1.56	1.17	1.51	.11
NET OTHER INCOME(EXPENSE)	2.23-	.10-	1.16-	.29	.34	.26	.94-	.52
NET INCOME(LOSS) BEFORE INCOME TAXES	2.95	9.07	5.29	13.17	7.07	13.22	6.72	13.43
RETURN ON INVESTMENT	4.56	16.19	8.65	23.45	10.28	17.41	12.44	20.05
NUMBER OF COMPANIES	19	3	28	6	12	5	16	5

	UNDER $3 MILLION		$3-8 MILLION		$8-15 MILLION		OVER $15 MILLION	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
CURRENT ASSETS								
CASH	2.33	6.41	6.90	11.95	1.52	2.08	.61	2.18
NOTES AND ACCOUNTS RECEIVABLE	24.49	23.10	25.20	27.04	20.24	16.84	29.01	32.25
LESS ALLOWANCE FOR BAD DEBTS	.57	1.37	.57	.95	.40	.28	.62	.93
NET RECEIVABLES	23.92	21.73	24.62	26.19	19.84	16.56	28.39	31.31
INVENTORIES								
RAW MATERIALS	15.44	20.69	14.61	12.97	10.83	7.05	11.73	11.47
FINISHED PRODUCTS	.82	1.41	1.84	2.26	3.99	4.72	6.98	3.68
WORK IN PROCESS	1.06	2.98	2.74	3.08	2.31	.91	3.29	2.74
OTHER INVENTORIES	.73	.94	.34	.29	.19	.13-	.17	
TOTAL INVENTORIES	20.05	26.01	19.53	18.60	17.32	12.54	22.17	17.89
OTHER CURRENT ASSETS	2.94	6.59	2.12	5.35	3.92	.58	2.02	6.54
TOTAL CURRENT ASSETS	49.25	60.74	53.17	62.09	42.60	31.76	53.20	57.92
FIXED ASSETS								
REAL ESTATE	5.94	6.12	12.45	3.42	9.71	6.38	11.53	17.82
LESS ALLOWANCE FOR DEPRECIATION	2.28	4.15	2.84	1.12	2.05	1.64	1.89	4.18
NET REAL ESTATE	3.66	1.97	9.61	2.31	7.66	4.74	9.64	13.64
MACHINERY AND EQUIPMENT	71.08	63.79	59.96	42.83	43.34	34.17	42.48	53.06
LESS ALLOWANCE FOR DEPRECIATION	31.61	33.98	32.40	23.39	21.83	14.27	20.46	25.80
NET MACHINERY AND EQUIPMENT	39.47	29.81	27.56	19.44	21.51	19.90	22.03	27.26
OTHER FIXED ASSETS	7.12	2.87	5.02	5.26	5.38	4.41	3.41	.94
LESS ALLOWANCE FOR DEPRECIATION	3.32	2.20	2.43	2.03	2.46	1.19	.75	.63
NET OTHER FIXED ASSETS	3.81	.68	2.59	3.23	2.92	3.23	2.66	.31
TOTAL FIXED ASSETS	46.94	32.46	39.76	24.98	32.09	27.86	34.33	41.20
OTHER ASSETS	3.82	6.81	7.07	12.93	25.31	40.37	12.47	.88
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
CURRENT LIABILITIES								
NOTES PAYABLE WITHIN ONE YEAR	10.55	1.90	4.08	2.65	7.36	6.96	3.79	.57
ACCOUNTS PAYABLE	13.30	7.22	8.26	8.41	7.35	6.16	9.52	12.51
OTHER CURRENT LIABILITIES	6.03	11.42	6.68	8.76	5.22	4.39	7.04	8.81
TOTAL CURRENT LIABILITIES	29.89	20.55	19.02	19.82	19.94	17.52	20.35	21.88
LONG-TERM DEBT	30.74	14.78	15.25	6.75	24.98	25.60	13.18	7.51
OTHER LONG-TERM LIABILITIES	1.62	1.80	7.42	4.64	2.58	3.06	.81	.52
TOTAL LONG-TERM LIABILITIES	32.36	16.58	22.67	11.39	27.55	28.66	13.99	8.43
TOTAL LIABILITIES	62.25	37.13	41.69	31.21	47.49	46.17	34.34	30.31
TOTAL NET WORTH	37.75	62.87	58.31	68.79	52.51	53.83	65.66	69.69
TOTAL LIABILITIES AND NET WORTH	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

	UNDER $3 MILLION		$3-8 MILLION		$8-15 MILLION		OVER $15 MILLION	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
EMPLOYEES								
PERCENT FACTORY	72.16	72.53	77.96	76.67	76.23	70.22	69.49	74.52
PERCENT ADMINISTRATIVE	17.51	13.19	10.61	11.33	11.48	11.48	13.46	12.74
PERCENT SALES	10.33	14.29	11.43	12.00	12.29	18.30	17.05	12.74
PRODUCTIVITY								
SALES PER GROSS PLANT INVESTMENT	2.45	3.2.	2.76	3.93	2.51	2.25	3.56	2.70
SALES PER FACTORY EMPLOYEE	71980	92854	78384	89055	98756	115915	129636	92347
SALES PER ADMINISTRATIVE EMPLOYEE	296536	510701	576056	602434	655882	708930	669504	540277
SALES PER SALES EMPLOYEE	502822	471417	534579	568966	612569	444692	528372	540277
SALES PER ALL EMPLOYEES	51938	67345	61108	68275	75283	81391	90089	68820
SALES LESS MATERIAL / FACTORY EMPLOYEE	41411	54900	43877	51704	51941	63847	61529	57556
FINANCIAL POSITION								
CURR ASSETS VS CURR LIABILITIES	1.65	2.96	2.80	3.13	2.14	1.81	2.61	2.65
LIABILITIES VS NET WORTH	1.65	.59	.71	.45	.90	.86	.52	.43
DEBT VS EQUITY	.81	.24	.26	.10	.48	.48	.20	.11
PAYROLL								
PAYROLL PER FACTORY EMPLOYEE	14025	16625	15345	15456	17804	18449	18141	18100
PAYROLL PER ADMIN. EMPLOYEE	18400	20516	20795	19242	14115	17456	17039	19983
PAYROLL PER SALES EMPLOYEE	26149	35259	25927	24527	30849	27275	31105	37003
PAYROLL PER EMPLOYEE	16044	19800	17133	16974	18983	19950	20203	20748
PREPRESS % OF FACTORY PAYROLL	13.13	9.82	12.60	10.60	11.67	13.93	11.43	14.79
PRESS % OF FACTORY PAYROLL	33.43	30.12	30.64	32.94	30.40	30.83	30.50	30.16
COLLATOR OPERATOR % OF FACTORY PAYROLL	15.48	18.23	18.78	20.76	16.70	18.30	15.85	22.04
GENERAL BINDERY % OF FACTORY PAYROLL	8.87	7.94	6.93	5.12	6.66	5.14	5.85	5.30
OVERTIME WAGES % OF FACTORY PAYROLL	5.42	5.67	3.30	2.24	4.03	4.45	3.79	1.41
TOTAL PAYROLL % OF SALES	34.97	34.39	33.32	31.43	29.86	29.19	26.23	34.87
TAXES AND BENEFITS								
TAXES AND BENEFITS / FACTORY EMPLOYEE	2070	3420	3020	4708	3481	4015	2984	3165
TAXES AND BENEFITS / ADMIN. EMPLOYEE	2158	2503	3910	3780	2896	3867	5379	3315
TAXES AND BENEFITS / SALES EMPLOYEE	2362	3851	3991	3748	4162	2960	3677	3613
TAXES AND BENEFITS / EMPLOYEE	2116	3361	3226	4487	3497	3805	3424	3249
ASSET TURNOVER								
INVENTORY TURNOVER TIMES PER YEAR	10.29	9.16	10.94	10.88	8.48	8.05	9.23	10.82
DAYS RAW MATERIAL IN INVENTORY	64.34	77.50	56.72	55.81	56.81	56.68	39.85	57.40
COLLECTION DAYS OF RECEIVABLES	42.33	33.28	42.10	47.27	49.32	59.82	50.66	59.04
INVESTMENT								
NET WORTH % OF FIXED ASSETS	80.43	193.71	146.65	275.36	163.65	193.17	191.27	169.13
AVG GROSS PLANT INVESTMENT/FACT EMPLOY	29358	28355	28427	22682	39300	51588	36387	34255
PROFIT								
GROSS PROFIT % OF SALES	23.80	25.85	21.39	25.82	20.60	27.57	23.42	30.78
INCOME BEFORE TAX % OF SALES	2.95	9.07	5.29	13.17	7.07	13.22	6.72	13.43
PROFIT % OF NET WORTH	16.12	34.38	19.38	38.73	19.77	24.82	20.95	37.32
CASH FLOW (ROI)	7.51	13.76	9.62	16.58	8.99	12.29	9.36	13.21
RETURN ON INVESTMENT	4.56	16.19	8.65	23.45	10.28	17.41	12.44	20.05

	CONSUMER		CONSUMER CONTINUOUS CUSTOM		CONSUMER UNIT SETS		CONSUMER MIXED PRODUCT	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
VALUE OF PRODUCTS MANUFACTURED	95.97	94.76	92.90	93.67	91.66	93.73	95.06	94.66
OUTSIDE PURCHASES	4.03	5.24	7.10	6.33	8.34	6.27	4.94	5.34
VALUE OF PRODUCTION	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
COST OF PRODUCTION								
MATERIALS								
PAPER	39.15	27.37	41.57	30.28	25.63	26.53	32.06	27.30
CARBON	5.17	5.08	7.95	4.45	5.29	6.90	5.04	5.18
OTHER	2.44	2.56	2.37	3.62	2.32	1.95	2.50	2.29
OUTSIDE FINISHED PRODUCT	3.59	5.46	5.58	4.79	9.06	5.39	4.32	5.75
TOTAL MATERIALS USED	50.35	40.47	57.47	43.15	42.30	40.77	43.92	40.52
FACTORY PAYROLL								
SUPERVISORY SALARIES	2.00	1.89	2.09	2.04	2.56	3.51	2.34	1.81
WAGES DIRECT								
PREPRESS	1.69	2.06	.63	1.50	2.37	1.26	2.19	2.15
PRESS	4.47	5.12	3.41	4.45	6.27	4.57	4.98	4.95
COLLATOR OPERATORS	2.09	3.09	2.35	3.06	2.57	3.08	2.60	3.23
GENERAL BINDERY	.92	.80	.51	1.17	1.95	2.06	1.25	.75
TOTAL DIRECT WAGES	9.17	11.07	6.90	10.18	13.16	10.96	11.02	11.08
DIRECT OVERTIME WAGES	.65	.52	.14	.25	2.26	.85	.63	.48
GENERAL FACTORY SALARIES AND WAGES	1.88	2.38	2.10	2.48	1.85	3.31	2.17	2.35
PACKING SHIPPING AND DELIVERY WAGES	1.05	.63	.63	.44	1.28	.75	1.09	.61
PAYROLL TAXES	1.03	.82	.98	1.25	1.65	1.42	1.17	.72
EMPLOYEE BENEFITS	1.45	2.18	1.13	2.77	1.88	2.65	1.62	2.14
TOTAL FACTORY PAYROLL	16.58	18.97	13.83	19.17	22.37	22.62	19.40	18.71
FACTORY FIXED EXPENSES								
OCCUPANCY EXPENSE	1.42	1.78	2.27	1.97	2.62	2.20	1.27	1.60
INSURANCE	.17	.17	.29	.39	.48	.18	.17	.15
TAXES	.33	.33	.37	.03	.58	.27	.34	.37
DEPRECIATION	1.77	1.88	2.20	2.83	2.56	1.83	1.54	1.78
TOTAL FACTORY FIXED EXPENSES	3.68	4.16	5.13	5.22	6.25	4.48	3.72	3.90
OTHER FACTORY SUPPLIES AND EXPENSE	4.66	3.70	2.29	4.65	4.36	5.76	6.00	3.69
TOTAL FACTORY EXPENSE	8.34	7.86	7.42	9.87	10.60	10.24	9.71	7.59
TOTAL COST OF PRODUCTION	75.28	67.29	78.71	72.18	75.27	73.63	73.04	66.82
GROSS PROFIT-FORMS MANUFACTURING	24.72	32.71	21.29	27.82	24.73	26.37	26.96	33.18
OTHER OPERATIONS								
VALUE OF OTHER PRODUCTS OR SERVICES	1.59	1.04			3.53		1.95	1.20
COST OF OTHER PRODUCTS OR SERVICES	1.09	1.00			1.43		1.34	1.14
GROSS PROFIT OTHER PRODUCTS OR SERVICES	.51	.04			2.11		.61	.06
TOTAL GROSS PROFIT	25.23	32.75	21.29	27.82	26.84	26.37	27.57	33.24

	CONSUMER		CONSUMER CONTINUOUS CUSTOM		CONSUMER UNIT SETS		CONSUMER MIXED PRODUCT	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
ADMINISTRATIVE EXPENSES								
EXECUTIVE SALARIES	.95	.81	.51	1.15	2.49	2.52	.79	.66
OFFICE SALARIES	1.74	1.77	2.26	3.75	3.04	1.81	1.85	1.69
PAYROLL TAXES	.25	.12	.17	.21	.22	.26	.29	.09
EMPLOYEE BENEFITS	.61	.35	.29	.54	.87	.23	.73	.24
GENERAL OFFICE EXPENSE	2.01	1.96	1.23	.88	2.17	1.51	2.22	2.09
BAD DEBTS	.10	.18	.11	.05	.27	.13-	.11	.17
TOTAL ADMINISTRATIVE EXPENSE	5.65	5.18	4.57	6.60	9.06	6.20	5.98	5.02
SELLING EXPENSE								
EXECUTIVE SALARIES	.84	.58	.82	.58	.34	.05	.82	.63
SALESMEN SALARIES AND COMMISSIONS	5.88	7.86	4.18	6.75	8.87	8.57	6.98	8.25
SALES OFFICE CLERICAL SALARIES	.71	1.00	.35	.36	.69	.37	.87	1.10
PAYROLL TAXES	.32	.29	.34	.41	.58	.45	.32	.28
EMPLOYEE BENEFITS	.53	.53	.39	.61	.38	.52	.59	.54
TRAVEL AND ENTERTAINMENT EXPENSE	.79	.50	.70	.91	1.05	.25	.74	.49
GENERAL SELLING EXPENSE	1.57	1.62	1.41	1.24	1.23	.66	1.76	1.77
SHIPPING AND DELIVERY EXPENSE	1.96	1.82	2.64	1.01	1.10	1.02	1.59	1.79
ADVERTISING	.14	.18	.03	.08	.29	.01	.18	.21
TOTAL SELLING EXPENSE	12.72	14.38	10.87	11.94	14.53	11.90	13.86	15.06
TOTAL ADMINISTRATIVE AND SELLING COST	18.37	19.56	15.43	18.54	23.59	18.10	19.84	20.08
OPERATING INCOME(LOSS)	6.86	13.19	5.85	9.28	3.24	8.27	7.73	13.17
OTHER INCOME AND EXPENSE								
GROSS PROCEEDS FROM SALE OF SCRAP	.39	.18	.06	.23	.27	.15	.38	.17
OTHER INCOME	.65	.72	.21	.46	.85	1.26	.81	.74
TOTAL OTHER INCOME	1.04	.90	.27	.68	1.12	1.42	1.19	.92
INTEREST EXPENSE	1.31	.61	.29	.22	2.30	.25	1.71	.45
OTHER EXPENSE	.38	.05	.12		.41	.04	.60	.04
TOTAL OTHER EXPENSE	1.69	.67	.41	.22	2.72	.29	2.31	.49
NET OTHER INCOME(EXPENSE)	1.01-	.23	.14-	.46	1.59-	1.13	1.18-	.42
NET INCOME(LOSS) BEFORE INCOME TAXES	5.86	13.43	5.71	9.75	1.65	9.40	6.58	13.59
RETURN ON INVESTMENT	10.59	21.09	7.62	.16	2.54	15.24	11.66	21.13
NUMBER OF COMPANIES	34	11	3	1	6	2	21	7

	CONSUMER		CONSUMER CONTINUOUS CUSTOM		CONSUMER UNIT SETS		CONSUMER MIXED PRODUCT	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
CURRENT ASSETS								
CASH	1.12	1.70	.51	.92-	3.17	9.59	1.23	1.66
NOTES AND ACCOUNTS RECEIVABLE	29.37	27.07	24.08	30.40	26.33	24.92	29.31	26.73
LESS ALLOWANCE FOR BAD DEBTS	.48	.53	.47	.49	1.18	2.05	.52	.51
NET RECEIVABLES	28.90	26.53	23.62	29.92	25.15	22.87	28.80	26.22
INVENTORIES								
RAW MATERIALS	11.93	9.49	16.61	12.13	17.12	20.94	10.27	8.86
FINISHED PRODUCTS	8.96	5.56	12.30	2.72	3.04	2.11	7.82	5.98
WORK IN PROCESS	2.29	1.76	3.43	5.54	2.56	2.94	2.64	1.49
OTHER INVENTORIES	.13	.10-			1.20	1.41		.22-
TOTAL INVENTORIES	23.30	16.71	32.33	20.39	23.91	27.40	20.73	16.11
OTHER CURRENT ASSETS	2.27	2.58	3.84	5.09	1.89	9.05	2.49	2.27
TOTAL CURRENT ASSETS	55.59	47.52	60.30	54.48	54.13	68.90	53.24	46.26
FIXED ASSETS								
REAL ESTATE	11.05	5.78	13.07		10.58	9.17	10.13	6.21
LESS ALLOWANCE FOR DEPRECIATION	1.72	1.85	.17		2.64	6.22	1.81	1.90
NET REAL ESTATE	9.33	3.93	12.90		7.94	2.95	8.32	4.31
MACHINERY AND EQUIPMENT	44.07	38.10	38.83	48.77	59.86	69.16	45.29	36.28
LESS ALLOWANCE FOR DEPRECIATION	21.07	17.55	23.41	25.30	33.12	46.99	21.00	16.34
NET MACHINERY AND EQUIPMENT	23.00	20.54	15.42	23.47	26.75	22.17	24.29	19.93
OTHER FIXED ASSETS	2.87	2.27	9.68	7.51	6.34	4.30	2.37	1.64
LESS ALLOWANCE FOR DEPRECIATION	1.24	1.11	2.61	4.32	3.32	3.29	1.26	.80
NET OTHER FIXED ASSETS	1.63	1.15	7.08	3.19	3.02	1.01	1.11	.84
TOTAL FIXED ASSETS	33.96	25.62	35.39	26.66	37.71	26.13	33.72	25.08
OTHER ASSETS	10.44	26.85	4.31	18.86	8.17	4.97	13.03	28.66
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
CURRENT LIABILITIES								
NOTES PAYABLE WITHIN ONE YEAR	6.22	4.74	.59		6.29	1.46	7.97	5.12
ACCOUNTS PAYABLE	9.49	8.58	8.27	10.38	9.58	9.07	8.26	8.65
OTHER CURRENT LIABILITIES	8.55	7.28	19.00	7.21	8.22	9.65	7.62	7.31
TOTAL CURRENT LIABILITIES	24.26	20.60	27.86	17.58	24.08	20.19	23.85	21.08
LONG-TERM DEBT	17.29	16.01	2.05		11.16	3.44	19.49	17.79
OTHER LONG-TERM LIABILITIES	2.43	2.32	3.79	4.14	18.74	2.70	1.53	1.62
TOTAL LONG-TERM LIABILITIES	19.73	18.33	5.84	4.14	29.90	6.13	21.02	19.41
TOTAL LIABILITIES	43.99	38.93	33.70	21.73	54.03	26.32	44.87	40.49
TOTAL NET WORTH	56.01	61.07	66.30	78.27	45.97	73.68	55.13	59.51
TOTAL LIABILITIES AND NET WORTH	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

	CONSUMER ALL FIRMS	CONSUMER LEADERS	CONSUMER CONTINUOUS CUSTOM ALL FIRMS	CONSUMER CONTINUOUS CUSTOM LEADERS	CONSUMER UNIT SETS ALL FIRMS	CONSUMER UNIT SETS LEADERS	CONSUMER MIXED PRODUCT ALL FIRMS	CONSUMER MIXED PRODUCT LEADERS
EMPLOYEES								
PERCENT FACTORY	67.24	68.81	67.40	62.50	68.09	70.42	67.70	68.57
PERCENT ADMINISTRATIVE	13.77	10.96	21.61	18.18	14.18	14.08	12.67	10.17
PERCENT SALES	18.99	20.23	10.99	19.32	17.73	15.49	19.63	21.26
PRODUCTIVITY								
SALES PER GROSS PLANT INVESTMENT	3.54	3.19	2.64	3.14	2.63	2.57	3.[illegible]	3.19
SALES PER FACTORY EMPLOYEE	127310	110212	162539	132313	86677	84384	108[illegible]	112477
SALES PER ADMINISTRATIVE EMPLOYEE	621815	691852	506902	454826	416049	421922	580836	758526
SALES PER SALES EMPLOYEE	450740	374954	996907	428072	332839	383565	374897	362773
SALES PER ALL EMPLOYEES	85604	75839	109550	82695	59014	59425	73583	77127
SALES LESS MATERIAL / FACTORY EMPLOYEE	63209	65610	69132	75225	50013	49984	60947	66504
FINANCIAL POSITION								
CURR ASSETS VS CURR LIABILITIES	2.29	2.31	2.16	3.10	2.25	3.41	2.23	2.19
LIABILITIES VS NET WORTH	.79	.64	.51	.28	1.18	.36	.81	.68
DEBT VS EQUITY	.31	.26	.03		.24	.05	.35	.30
PAYROLL								
PAYROLL PER FACTORY EMPLOYEE	17953	17603	19058	20041	16330	15646	18063	17331
PAYROLL PER ADMIN. EMPLOYEE	16740	17815	14064	22321	23007	18267	15334	17571
PAYROLL PER SALES EMPLOYEE	33454	35374	53329	32903	32953	34464	32516	36206
PAYROLL PER EMPLOYEE	20730	21221	21745	22940	20224	18930	20554	21711
PREPRESS % OF FACTORY PAYROLL	12.00	12.89	5.36	9.88	12.59	6.78	13.20	13.56
PRESS % OF FACTORY PAYROLL	31.72	32.04	29.09	29.40	33.26	24.62	29.94	31.23
COLLATOR OPERATOR % OF FACTORY PAYROLL	14.79	19.36	20.07	20.21	13.61	16.61	15.63	20.27
GENERAL BINDERY % OF FACTORY PAYROLL	6.50	5.00	4.36	7.73	10.37	11.13	7.53	4.70
OVERTIME WAGES % OF FACTORY PAYROLL	4.57	3.26	1.23	1.66	12.00	4.60	3.77	3.06
TOTAL PAYROLL % OF SALES	28.40	32.26	23.14	33.53	39.85	37.40	32.64	32.27
TAXES AND BENEFITS								
TAXES AND BENEFITS / FACTORY EMPLOYEE	3156	3300	3420	5316	3056	3441	3024	3217
TAXES AND BENEFITS / ADMIN. EMPLOYEE	5310	3210	2313	3412	4532	2071	5919	3300
TAXES AND BENEFITS / SALES EMPLOYEE	3809	3063	7309	4353	3205	3730	3395	2990
TAXES AND BENEFITS / EMPLOYEE	3577	3242	3608	4734	3292	3293	3465	3177
ASSET TURNOVER								
INVENTORY TURNOVER TIMES PER YEAR	8.80	8.81	5.02	3.67	8.43	8.57	9.49	8.73
DAYS RAW MATERIAL IN INVENTORY	42.16	58.14	64.92	58.01	73.23	76.29	43.38	56.77
COLLECTION DAYS OF RECEIVABLES	51.42	65.82	53.06	61.74	45.52	33.96	53.42	68.05
INVESTMENT								
NET WORTH % OF FIXED ASSETS	164.91	238.32	187.35	293.57	121.91	281.94	163.49	237.23
AVG GROSS PLANT INVESTMENT/FACT EMPLOY	35993	34556	61609	42110	32995	28372	31927	35305
PROFIT								
GROSS PROFIT % OF SALES	25.23	32.75	21.29	27.82	26.84	26.37	27.57	33.24
INCOME BEFORE TAX % OF SALES	5.86	13.43	5.71	9.75	1.65	9.40	6.58	13.59
PROFIT % OF NET WORTH	21.48	32.35	14.00	22.02	7.23	21.34	23.48	32.10
CASH FLOW (ROI)	8.50	13.50	6.73	.12	5.22	10.59	9.27	13.33
RETURN ON INVESTMENT	10.59	21.09	7.62	.16	2.54	15.24	11.66	21.13

	DEALER ALL FIRMS	DEALER LEADERS	DEALER CONTINUOUS CUSTOM ALL FIRMS	DEALER CONTINUOUS CUSTOM LEADERS	DEALER UNIT SETS ALL FIRMS	DEALER UNIT SETS LEADERS	DEALER MIXED PRODUCT ALL FIRMS	DEALER MIXED PRODUCT LEADERS
VALUE OF PRODUCTS MANUFACTURED	99.72	99.72	99.83	99.66	99.80		100.00	100.00
OUTSIDE PURCHASES	.28	.28	.17	.34	.20			
VALUE OF PRODUCTION	100.00	100.00	100.00	100.00	100.00		100.00	100.00
COST OF PRODUCTION								
MATERIALS								
PAPER	34.64	31.81	35.02	31.73	35.23		32.32	32.22
CARBON	6.10	4.42	4.73	3.64	8.45		7.79	8.65
OTHER	2.97	3.12	3.08	3.39	3.24		1.88	1.63
OUTSIDE FINISHED PRODUCT	.44	.47	.36	.56	.43		.23	
TOTAL MATERIALS USED	44.15	39.81	43.19	39.32	47.35		42.22	42.49
FACTORY PAYROLL								
SUPERVISORY SALARIES	2.69	2.89	2.78	2.99	2.22		2.97	2.35
WAGES DIRECT								
PREPRESS	2.76	3.17	2.99	3.37	2.49		2.75	2.06
PRESS	6.77	6.28	7.18	6.44	6.59		5.99	5.40
COLLATOR OPERATORS	4.20	4.67	4.33	4.67	4.28		4.19	4.64
GENERAL BINDERY	1.39	1.18	1.26	1.19	2.12		1.11	1.14
TOTAL DIRECT WAGES	15.12	15.30	15.76	15.68	15.48		14.04	13.24
DIRECT OVERTIME WAGES	.67	.32	.80	.32	.47		.80	.33
GENERAL FACTORY SALARIES AND WAGES	2.68	2.39	2.46	2.35	2.07		3.33	2.59
PACKING SHIPPING AND DELIVERY WAGES	.74	.62	.62	.64	.89		.89	.54
PAYROLL TAXES	1.63	1.66	1.60	1.64	1.67		1.77	1.76
EMPLOYEE BENEFITS	2.21	3.08	2.15	2.55	2.03		2.82	5.99
TOTAL FACTORY PAYROLL	25.07	25.93	25.37	25.84	24.36		25.82	26.47
FACTORY FIXED EXPENSES								
OCCUPANCY EXPENSE	2.07	2.08	2.16	2.10	1.73		2.35	2.00
INSURANCE	.33	.21	.33	.18	.32		.35	.38
TAXES	.35	.42	.35	.44	.36		.40	.36
DEPRECIATION	3.41	3.07	3.40	3.09	3.24		3.60	2.95
TOTAL FACTORY FIXED EXPENSES	6.16	5.79	6.24	5.81	5.66		6.70	5.69
OTHER FACTORY SUPPLIES AND EXPENSE	5.34	3.99	4.87	4.04	6.63		5.54	3.71
TOTAL FACTORY EXPENSE	11.49	9.78	11.11	9.85	12.28		12.24	9.41
TOTAL COST OF PRODUCTION	80.71	75.53	79.67	75.00	83.99		80.28	78.37
GROSS PROFIT-FORMS MANUFACTURING	19.29	24.47	20.33	25.00	16.01		19.72	21.63
OTHER OPERATIONS								
VALUE OF OTHER PRODUCTS OR SERVICES								
COST OF OTHER PRODUCTS OR SERVICES								
GROSS PROFIT OTHER PRODUCTS OR SERVICES								
TOTAL GROSS PROFIT	19.29	24.47	20.33	25.00	16.01		19.72	21.63

	DEALER		DEALER CONTINUOUS CUSTOM		DEALER UNIT SETS		DEALER MIXED PRODUCT	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
ADMINISTRATIVE EXPENSES								
EXECUTIVE SALARIES	1.71	1.85	1.56	1.89	1.69		2.45	1.64
OFFICE SALARIES	1.85	2.47	1.98	2.77	2.35		1.11	.87
PAYROLL TAXES	.25	.30	.25	.33	.28		.21	.14
EMPLOYEE BENEFITS	.40	.49	.46	.47	.35		.34	.59
GENERAL OFFICE EXPENSE	2.61	1.98	2.68	2.11	2.24		2.46	1.22
BAD DEBTS	.15	.12	.13	.06	.14		.22	.44
TOTAL ADMINISTRATIVE EXPENSE	6.97	7.21	7.07	7.64	7.04		6.79	4.89
SELLING EXPENSE								
EXECUTIVE SALARIES	.61	.72	.57	.82	.56		.68	.17
SALESMEN SALARIES AND COMMISSIONS	.84	.55	.81	.45	.64		1.08	1.12
SALES OFFICE CLERICAL SALARIES	1.09	.95	1.12	1.02	1.13		.93	.58
PAYROLL TAXES	.17	.17	.18	.17	.13		.18	.17
EMPLOYEE BENEFITS	.23	.32	.26	.29	.18		.21	.49
TRAVEL AND ENTERTAINMENT EXPENSE	.39	.34	.44	.36	.33		.30	.19
GENERAL SELLING EXPENSE	.75	.80	.75	.81	.30		1.05	.77
SHIPPING AND DELIVERY EXPENSE	.65	.56	.54	.63	1.02		.68	.16
ADVERTISING	.31	.43	.34	.45	.26		.28	.25
TOTAL SELLING EXPENSE	5.02	4.84	5.01	5.01	4.55		5.37	3.95
TOTAL ADMINISTRATIVE AND SELLING COST	11.99	12.05	12.08	12.64	11.59		12.16	8.84
OPERATING INCOME(LOSS)	7.30	12.42	8.25	12.35	4.42		7.56	12.79
OTHER INCOME AND EXPENSE								
GROSS PROCEEDS FROM SALE OF SCRAP	.63	.43	.64	.34	.62		.69	.88
OTHER INCOME	1.09	.80	.74	.60	.75		1.64	1.88
TOTAL OTHER INCOME	1.72	1.23	1.38	.95	1.38		2.33	2.75
INTEREST EXPENSE	1.51	.17	1.24	.05	1.81		1.08	.80
OTHER EXPENSE	.53	.41	.26	.46	.76		1.08	.11
TOTAL OTHER EXPENSE	2.04	.58	1.50	.52	2.57		2.16	.91
NET OTHER INCOME(EXPENSE)	.44-	.56	.16-	.33	1.63-		.17	1.84
NET INCOME(LOSS) BEFORE INCOME TAXES	6.86	12.98	8.08	12.68	2.79		7.73	14.63
RETURN ON INVESTMENT	10.19	18.11	11.57	16.75	4.57		12.87	29.27
NUMBER OF COMPANIES	36	7	12	5	15		8	2

	DEALER ALL FIRMS	DEALER LEADERS	DEALER CONTINUOUS CUSTOM ALL FIRMS	DEALER CONTINUOUS CUSTOM LEADERS	DEALER UNIT SETS ALL FIRMS	DEALER UNIT SETS LEADERS	DEALER MIXED PRODUCT ALL FIRMS	DEALER MIXED PRODUCT LEADERS
CURRENT ASSETS								
CASH	2.78	5.18	.95	2.80	2.66		10.69	15.78
NOTES AND ACCOUNTS RECEIVABLE	22.47	22.37	22.70	22.44	24.92		23.00	21.55
LESS ALLOWANCE FOR BAD DEBTS	.65	.88	.72	.80	.40		.72	1.25
NET RECEIVABLES	21.82	21.50	21.99	21.64	24.52		22.28	20.59
INVENTORIES								
RAW MATERIALS	13.92	10.87	13.20	10.86	16.21		15.17	10.92
FINISHED PRODUCTS	.79	1.31	.69	1.33	.92		.70	1.20
WORK IN PROCESS	2.55	2.41	2.27	2.61	4.27		2.59	1.19
OTHER INVENTORIES	.47	.17	.46	.20	.82		.06	
TOTAL INVENTORIES	17.73	14.77	16.64	15.00	22.22		18.52	13.31
OTHER CURRENT ASSETS	3.81	6.35	3.51	6.22	1.57		3.28	7.12
TOTAL CURRENT ASSETS	46.15	47.79	43.08	45.67	50.95		54.78	60.79
FIXED ASSETS								
REAL ESTATE	14.34	19.59	16.46	22.07	9.43		10.30	4.35
LESS ALLOWANCE FOR DEPRECIATION	3.17	4.18	3.47	4.62	2.48		3.41	1.52
NET REAL ESTATE	11.17	15.40	12.99	17.45	6.95		6.89	2.84
MACHINERY AND EQUIPMENT	60.78	54.22	63.54	58.43	68.98		53.67	28.29
LESS ALLOWANCE FOR DEPRECIATION	29.90	26.11	30.58	28.12	34.18		29.56	13.79
NET MACHINERY AND EQUIPMENT	30.88	28.10	32.96	30.31	34.80		24.11	14.50
OTHER FIXED ASSETS	5.07	4.08	4.49	4.08	6.97		6.17	4.05
LESS ALLOWANCE FOR DEPRECIATION	2.34	1.03	1.93	1.08	4.03		2.61	.72
NET OTHER FIXED ASSETS	2.73	3.05	2.56	3.00	2.94		3.56	3.33
TOTAL FIXED ASSETS	44.79	46.56	48.51	50.77	44.70		34.56	20.67
OTHER ASSETS	9.06	5.66	8.41	3.56	4.35		10.66	18.54
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00		100.00	100.00
CURRENT LIABILITIES								
NOTES PAYABLE WITHIN ONE YEAR	4.58	1.47	3.01	.90	7.22		4.87	4.98
ACCOUNTS PAYABLE	9.08	10.34	9.12	10.91	13.85		7.10	6.82
OTHER CURRENT LIABILITIES	6.04	6.80	5.64	6.56	6.15		7.01	8.30
TOTAL CURRENT LIABILITIES	19.70	18.61	17.78	18.37	27.22		18.97	20.10
LONG-TERM DEBT	21.78	13.65	18.61	13.68	25.98		16.17	13.48
OTHER LONG-TERM LIABILITIES	2.85	1.79	1.94	1.95	5.22		4.70	.85
TOTAL LONG-TERM LIABILITIES	24.62	15.45	20.55	15.63	31.20		20.86	14.33
TOTAL LIABILITIES	44.32	34.06	38.33	34.00	58.43		39.83	34.43
TOTAL NET WORTH	55.68	65.94	61.67	66.00	41.57		60.17	65.57
TOTAL LIABILITIES AND NET WORTH	100.00	100.00	100.00	100.00	100.00		100.00	100.00

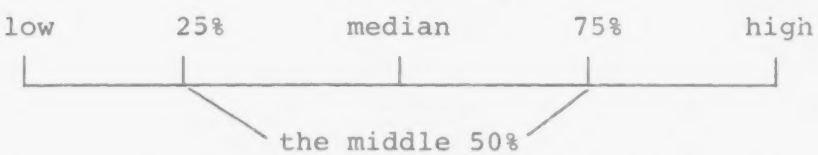
	DEALER		DEALER CONTINUOUS CUSTOM		DEALER UNIT SETS		DEALER MIXED PRODUCT	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
EMPLOYEES								
PERCENT FACTORY	80.59	79.29	79.67	78.32	80.00		82.35	84.26
PERCENT ADMINISTRATIVE	11.85	13.84	12.31	14.95	13.16		9.80	8.12
PERCENT SALES	7.56	6.88	8.02	6.73	6.84		7.84	7.61
PRODUCTIVITY								
SALES PER GROSS PLANT INVESTMENT	2.34	2.25	2.16	2.03	2.61		2.97	5.22
SALES PER FACTORY EMPLOYEE	77018	83883	86279	85686	66497		68964	75252
SALES PER ADMINISTRATIVE EMPLOYEE	523887	480698	558278	448861	404137		579298	781163
SALES PER SALES EMPLOYEE	820756	967189	857596	996736	778114		724123	833240
SALES PER ALL EMPLOYEES	62068	66509	68740	67107	53197		56794	63444
SALES LESS MATERIAL / FACTORY EMPLOYEE	43016	50486	49011	51994	35009		39845	43299
FINANCIAL POSITION								
CURR ASSETS VS CURR LIABILITIES	2.34	2.57	2.42	2.49	1.87		2.89	3.02
LIABILITIES VS NET WORTH	.80	.52	.62	.52	1.41		.66	.52
DEBT VS EQUITY	.39	.21	.30	.21	.62		.27	.21
PAYROLL								
PAYROLL PER FACTORY EMPLOYEE	16349	17778	18652	18552	13737		14640	14093
PAYROLL PER ADMIN. EMPLOYEE	18679	20791	19791	20921	16306		20621	19561
PAYROLL PER SALES EMPLOYEE	20755	21503	21492	22799	18104		19403	15625
PAYROLL PER EMPLOYEE	16958	18451	19020	19192	14373		15600	14654
PREPRESS % OF FACTORY PAYROLL	13.00	14.95	13.84	15.57	12.05		12.96	11.01
PRESS % OF FACTORY PAYROLL	31.90	29.63	33.22	29.76	31.92		28.22	28.84
COLLATOR OPERATOR % OF FACTORY PAYROLL	19.80	22.03	20.01	21.59	20.70		19.74	24.61
GENERAL BINDERY % OF FACTORY PAYROLL	6.55	5.56	5.82	5.48	10.26		5.22	6.08
OVERTIME WAGES % OF FACTORY PAYROLL	3.18	1.53	3.69	1.49	2.28		2.84	1.78
TOTAL PAYROLL % OF SALES	32.21	33.77	32.56	34.05	31.66		32.99	32.24
TAXES AND BENEFITS								
TAXES AND BENEFITS / FACTORY EMPLOYEE	2959	3976	3236	3586	2460		3164	5825
TAXES AND BENEFITS / ADMIN. EMPLOYEE	3389	3811	3981	3612	2534		3171	5695
TAXES AND BENEFITS / SALES EMPLOYEE	3266	4765	3693	4595	2409		2799	5536
TAXES AND BENEFITS / EMPLOYEE	3033	4007	3364	3657	2466		3136	5801
ASSET TURNOVER								
INVENTORY TURNOVER TIMES PER YEAR	10.59	11.87	10.98	11.47	10.04		11.23	14.66
DAYS RAW MATERIAL IN INVENTORY	61.28	56.84	61.09	58.58	56.00		63.05	48.09
COLLECTION DAYS OF RECEIVABLES	42.42	44.76	43.94	45.91	40.11		39.09	38.52
INVESTMENT								
NET WORTH % OF FIXED ASSETS	124.31	141.64	127.13	130.01	93.01		174.08	317.22
AVG GROSS PLANT INVESTMENT/FACT EMPLOY	32892	37265	39914	42113	25449		23248	14163
PROFIT								
GROSS PROFIT % OF SALES	19.29	24.47	20.33	25.00	16.01		19.72	21.63
INCOME BEFORE TAX % OF SALES	6.86	12.98	8.08	12.68	2.79		7.73	14.63
PROFIT % OF NET WORTH	23.12	34.51	23.94	33.05	14.97		26.73	43.52
CASH FLOW (ROI)	10.15	13.34	10.66	12.46	7.59		12.43	20.54
RETURN ON INVESTMENT	10.19	18.11	11.57	16.75	4.57		12.87	29.27

KEY RATIO ANALYSIS

What makes a particular firm a profit leader - or a profit laggard, or a middling also-ran? This is the question that causes most companies to participate in ratio studies and other market research programs. Unfortunately, ratio analysis alone will never answer this question. There are too many other variables that change the meaning though not the numerical measurement of pre-tax nets. However, study of industry ratios can improve your firm's performance and give you greater understanding of your firm and your industry.

This section contains two sets of aids for interpreting and using the ratios. The first set presents ranges for some of the key line items in the standard chart of accounts. Medians and averages are useful, but few firms will ever find their results are on the statistical mid-point. Ranges allow you to see whether your own firm's deviations are fairly typical or seriously wide of the mark.

The Range:



The Range: is the difference between the largest and smallest values.

Upper Quartile: is the range of values between the 75th percentile and the highest value, thus containing the values of the upper quarter of the participants.

Lower Quartile: is the range of values between the 25th percentile and the lowest value.

Median: is the value at the 50th percentile, where half of all the values are lower and half are higher. Similar to but not the same as an average.

The Middle 50%: contains half the values below the median and half above it; is usually a good technique for eliminating extremes.

The second set of aids helps you examine the cause and effect of some key ratio items.

Gross Profit Manufacturing

	Low	25th %	Median	75th %	High
By Company Size					
Under $3 million	14.2	19.9	21.3	24.7	37.3
$3-8 million	13.0	17.3	20.4	24.2	37.4
$8-15 million	9.3	16.9	20.2	26.1	41.9
Over $15 million	12.2	18.7	24.3	26.3	36.3
Direct	16.1	20.5	24.6	29.9	41.9
Dealer	9.3	15.8	19.5	21.3	30.4

Net Pre-Tax

	Low	25th %	Median	75th %	High
By Company Size					
Under $3 million	-(3.8)	-(0.5)	3.2	5.0	10.0
$3-8 million	-(7.0)	2.7	5.1	7.7	20.7
$8-15 million	0.3	2.2	7.1	12.3	20.5
Over $15 million	-(1.5)	4.4	6.3	12.0	15.1
Direct	-(7.0)	1.6	5.0	9.3	20.7
Dealer	-(1.1)	3.2	5.0	6.6	19.6

R.O.I.

	Low	25th %	Median	75th %	High
By Company Size					
Under $3 million	-(4.9)	-(0.7)	4.1	10.1	19.2
$3-8 million	-(10.0)	5.2	8.0	12.4	39.3
$8-15 million	0.5	1.6	8.8	17.4	36.8
Over $15 million	-(2.7)	6.8	13.0	16.8	26.9
Direct	-(10.0)	2.8	8.7	15.9	39.3
Dealer	-(1.5)	5.6	7.6	11.5	31.6

Collection Days Receivables

By Company Size	Low	25th %	Median	75th %	High
By Company Size					
Under $3 million	17.8	28.8	41.0	47.0	104.4
$3-8 million	12.8	36.5	40.7	47.6	61.7
$8-15 million	15.4	36.0	48.2	66.2	119.0
Over $15 million	32.3	43.9	49.5	59.1	70.4
Direct	18.1	43.0	48.1	62.6	119.0
Dealer	12.8	32.4	38.5	47.3	61.4

Value Added Per Factory Employee

	Low	25th %	Median	75th %	High
By Company Size					
Under $3 million	27,539	35,521	38,854	51,759	76,711
$3-8 million	27,407	36,776	45,191	56,711	85,782
$8-15 million	30,872	38,699	55,428	72,530	97,415
Over $15 million	42,696	55,167	62,780	73,288	102,719
Direct	27,539	51,326	63,816	74,121	102,719
Dealer	27,875	34,828	40,189	48,371	70,262

ANALYSIS OF CAUSAL RATIOS

Ratio	Ratio Compared To Industry Norm	Operating Penalty	Possible Factors Affecting Ratio	Potential Solutions
DAY'S SALES UNCOLLECTED Credit Sales ÷ 365 = X Receivables ÷ X = Day's Sales	High	Reduced working capital--- Short-term interest cost	Product quality substandard	Establish quality assurance department
			Invoice accuracy problems	Order processing accounting changes
			Invoice timing problems	Automation of invoicing
			Invoice timing problems	Establish credit department, cash discounts
			Inadequate credit management practices	
	Low	Lost sales	Credit policy too restrictive	Modify selling terms
			Cash and carry policy	Establish credit terms
INVENTORY TURNOVER Cost of sales ÷ avg. inventory	High	Lost sales	Delivery lead-time policy	Establish shelf stock to improve delivery
			Build-to-order policy	Forecast requirements
	Low	Reduced working capital--- Short-term interest cost	Untimely forecast	Automate forecasting/update regularly
			Inflexible scheduling	Revise master schedule/capacity plan
			Delivery lead-time policy	Lenghten delivery lead-time
			Inflexible material planning	Implement material requirements planning
			Poor variance control	Establish standard/measure variance
NET SALES/NET WORTH	High	Reduced working capital--- Short-term interest cost	High debt/equity ratio	Improve cash flow: shorten collection period,etc.
			Overtrading	Improve cash flow: shorten collection period, etc.
			Sales policies	Develop marketing plan
	Low	Lost sales	Undertrading	Increase debt-increase development and marketing budget

ANALYSIS OF CAUSAL RATIOS (cont'd)

Ratio	Ratio Compared To Industry Norm	Operating Penalty	Possible Factors Affecting Ratio	Potential Solutions
PRETAX INCOME/SALES	High	None		
	Low	Reduced working capital--- Short-term interest cost	Pricing policies	Improve costing to determine break-even point
			High interest costs	Improve receivables collection inventory turnover
			Obsolete products	Improve responsiveness of inventory system
			Lack of product line planning	Forecasting and marketing share analysis
FIXED ASSETS/NET WORTH	High	Reduced working capital Short-term interest cost	Lack of ROI analysis	Capital budgeting procedures
	Low	Reduced capacity Missed shipments High rent costs	Lack of facility planning Scheduling problems Lack of lease approval procedures	Facility planning organization Formalized scheduling Capital budgeting procedures
MISC. ASSETS/NET WORTH	High	Depressed working capital	Management acquisition policy	Change acquisition policy

ANALYSIS OF EFFECT RATIOS

RATIO	PRINCIPAL EFFECT MEASURED
Current Ratio	Liquidity of company and ability to meet current obligations.
Current Liabilities-To Net Worth or Total Libailities-To-Net Worth	The relative freedom of the company from creditor pressures which tend to restrict operating latitude, the current debt being that which is most pressing in nature.
Inventory-To-Working Capital	The dependence of working capital on the stated value of inventory.
Trade Receivables-To-Working Capital	The dependence of working capital on the stated value of receivables.
Long-Term Liabilities-To-Working Capital	The ability of the company to retire long-term debt and still remain liquid.
Net Profit-To-Net Worth	The return on invested capital.
Net Sales-To-Fixed Assets	The utilization of the company's capital investment.
Net Sales-To-Working Capital	The ability of working capital to support the volume of sales.

International Business Forms Industries, Inc.

STANDARD CLASSIFICATION OF ACCOUNTS FOR BUSINESS FORMS COMPANIES

I. **Net Sales** -- The balance of Gross Sales for the period less Cash Allowances and Sales Discounts Earned is Net Sales.

A-E. **Business Forms Manufactured and Sold** -- Net sales of forms and printed products manufactured in your plant. Report separately the sales made through dealers and other manufacturers and the sales made directly to consumers.

G. **Forms Manufactured in Their Entirety by Others** -- Net sales of all forms sold by your company without further processing in your plant.

H. **Services and Other Products** -- Net sales of all non-printed products whether manufactured by your company or purchased for resale; and receipts for services provided and billed for such as inventory management, warehousing, systems design, etc.

II. **Employee Breakowns**

Classifying Employees:

Factory includes prepress personnel, machine operators and helpers, bindery personnel, maintenance and janitorial personnel, and any clerical staff that are concerned solely with production, e.g. production clerk-typists, production schedulers, inventory clerks, expediters, quality control and the like.

Administrative includes all executives or officers active in the business, their secretaries, all accounting personnel, receptionists/switchboard staff, all data processing personnel, all purchasing personnel, general file clerks, all employees of the personnel department, finished goods inventory personnel, and credit department.

Sales includes all salesmen, sales and/or marketing managers, any advertising personnel, sales service personnel, estimators, order writers, any clerical personnel assigned to the sales department and all shipping and delivery personnel.

Split duties: Personnel whose duties put them into more than one of the above categories should be split up according to a rough estimate of time, e.g. 1/3 to sales and 2/3 to production. Part-time employees should be counted as a fraction, e.g. 1/2 if an employee works a 20-hour week. Any employees who are considered to be full-time but are temporarily on short hours due to market or similar conditions should still be counted as full-time.

Operating Statement

Item

1 **VALUE OF PRODUCTION** -- Business Forms Manufactured and Sold.

Work in Process and Finished Goods ... Beginning of Period ... End of Period -- The inventory of work in process and finished goods at the beginning of the period is deducted from Net Sales, and the inventory of work in process and finished goods at the end of the period is added, to obtain the Value of Production for the period.

Direct Materials Used

2 Paper -- Including Carbonless Paper and Freight Expense -- Do not decrease the cost of paper by sale of scrap and plates. These proceeds should be included in other income (line 51).

3 Carbon Paper -- Includes freight expense. Include here the direct cost of carbon paper manufactured for your own use.

Item

4 **Other Direct Materials** -- Trade composition, binding, ink, cartons and other materials.

5 **Outside Finished Products** -- Cost of forms manufactured in their entirety by others and sold without further processing in your plant.

These accounts (items 2 through 5) adjusted for changes in raw material inventory, summarize the cost value of materials and outside purchases chargeable to customers or used to increase finished goods or work-in process inventories during the period.

Factory Payroll

7 **Supervisory Salaries** -- This account will be restricted to the compensation earned by the following factory personnel: Plant manager, plant supervisor and foreman (restricted to the following direct department foremen), prepress foreman, press foreman, collator foreman, and general bindery foreman, and an allocation of compensation earned by executives for time devoted to factory production, and to preparation and scheduling thereof.

Wages-Direct -- This account shows wages, to include vacations, holidays, sick pay, and overtime premiums paid to factory employees (including apprentices and helpers) directly engaged in production. The category has been broken down as follows: (See Item II, Employee Breakdowns, for classification of employees).

8 **Prepress** -- Artists, designers, strippers, hot and cold typesetters, camera operators, plate makers, and other preparatory department employees.

9 **Press** -- Press operators and helpers.

10 **Collator Operators** -- Roll collator operators and helpers.

11 **General Bindery** -- Operators of tippers, drills, stitchers, paper cutters, film or shrink-wrapping machines, wrappers, and packagers (do not include general shipping room labor when engaged only in placing product in the carton), belt folders, interleavers, and padders.

12 **Total Paid to Direct Employees** -- The total direct wages paid to employees including overtime amounts shown in item 13.

13 **Direct Employee Overtime Wages** -- Includes overtime and premium time pay. These amounts are to be included in item 12 above.

14 **General Factory Salaries and Wages** -- This account will be restricted to the wages of all factory employees other than those covered under supervisory salaries, wages direct, packing and shipping, and delivery wages. Wages should include compensation for vacations, sick leave, holidays, bonuses, and overtime premiums. Examples of employees in this category will be as follows: Warehouse and material handlers, baler operators, maintenance (plant and machine), janitorial help, watchmen, foreman of any nondirect labor department, secretaries to factory supervisors, production clerk/typists, order editors, production planners, production schedulers, production control, inventory clerk (raw materials), expeditors, change coordinators, job ticker and negative file clerks, quality control, and industrial engineers.

15 **Packing, Shipping, and Delivery Wages** -- This account includes shipping clerks, traffic and routing clerks, packers (not to be confused with packagers which are included in the direct wage account, general bindery), truck drivers, and shipping department foremen.

16 **Payroll Taxes (Federal, state, local)** -- This account is charged with government taxes for retirement, unemployment benefits, etc.

Item

17 Employee Benefits -- This account is charged with premiums or other expense of disability or sick benefit insurance or plans, life insurance, pension, retirement or profit-sharing plans, etc. as they cover factory employees.

18 Total Payroll -- does not include line 13.

FACTORY EXPENSES

Factory Fixed Expenses -- Only those which relate to manufacturing facilities.

19 Occupancy Expense -- Rent, heat, utilities, leasehold improvements, building depreciation and amortization, and building maintenance.

20 Insurance -- Real estate, property, and strike insurance.

21 Taxes -- Real estate and property.

22 Depreciation -- Current charge to accumulated depreciation accounts of fixed assets. Payments for rent or lease of machinery or equipment are, for purposes of this report, included as depreciation. (See Balance Sheet definitions, Fixed Assets)

23 Total Factory Fixed Expenses

24 Other Factory Supplies and Expenses

Prepress Supplies and Expense -- Film plates, chemicals, parts, repairs, etc.

Press Supplies and Expense -- Numbering machines, recovering rollers, fountain solutions, blankets, punches, dyes, perf wheels, parts, repairs, etc.

Collator Supplies and Expense -- Includes glue, perf rules, parts, repairs, etc.

General Bindery Supplies and Expense -- Supplies, boxes (not cartons), film wrap, staples, twine, etc.

Packing and Shipping Materials and Supplies -- Include freight cost in item 46.

26 FACTORY COST OF PRODUCTION -- This item is the sum of the Material Used, Factory Payroll, and Factory Expenses items noted above.

27 GROSS PROFIT - FORMS MANUFACTURING -- The credit remaining after deducting Factory Cost of Production from Value of Production - Forms Manufacturing.

OTHER OPERATIONS

Many predominantly business forms companies manufacture, and or sell other products and services. The sales value and costs of these other operations should not be included in the report on forms manufacturing activities. Alternately, the administrative and selling expenses incurred in these other activities often cannot be logically separated from the forms operation. This is also especially true of reporting the financial position on the balance sheet.

Item

For those companies which cannot logically separate these operations, the IBFI Standard Classification provides a standardized treatment of these items so that the ratios of all companies are roughly comparable.

28 Value of Other Products and Services -- Net sales (Item I. H) adjusted for changes in work in process and finished goods inventories.

If the value of these other products or services are included in the price of forms, (and therefore within Items I. A through E), and they are substantial enough to understate your Cost of Forms Manufacturing ratios, some separation from the sales and costs of forms is desirable. The Chart of Accounts recommends computing the Value of Other Products and Services by applying a reasonable or representative mark-up to the cost of producing or providing these products or services. Be sure that this computed Value of Other Products or Services is not also included in Item 1, Value of Production - Forms Manufacturing or in Item I. F, Business Forms Sales.

29 Cost of Other Products and Services -- The direct costs, excluding administrative and selling expenses, of producing or providing these other products or services.

30 Gross Profit - Other Products and Services -- The credit remaining after deducting costs from the value of these other operations.

31 Gross Profit - All Operations -- Item 27 plus Item 30. The ratio for Gross profit - All Operations and all following ratios are computed as a percent of Total Value of All Products and Services (Item 1 plus Item 28).

Administrative Expenses

32 Administrative Expenses - Salaries, Executive -- Includes total compensation paid to President, Treasurer, all officers active in the business, General Manager, Administrative Assistants, Controller, Accounting Supervisor, Credit Manager, Data Processing Supervisor, Director of Purchases, and Director of Personnel. If an executive spends a portion or all of his time in such areas as sales, or general plant superintendent, his salary should be allocated to those cost centers based on the percentage of time expended in each area.

33 Salaries, Office -- Includes office personnel such as secretaries to administrative executives, purchasing agent, billing clerk, bookkeeper, general file clerk, switchboard operator, data processing personnel, office manager, and finished goods inventory clerk.

34-35 Payroll Taxes - Employee Benefits -- These accounts are charged with items similar to those listed under the same classifications in Factory Payroll, as they apply to Administrative Employees.

36 General Office Expense -- This account covers all of the various general expenses such as office supplies and services (towels, minor repairs to office machines, etc.), stationery, postage, telephone and telegraph, legal and accounting fees, donations, dues, fees, and expenses of membership in trade and other associations (not primarily for selling), travel expense (not primarily for selling), space or occupancy expense, etc.

Item

37 Bad Debts -- This account provides for losses on uncollectible accounts. Some firms also include cost of credit reports, and collection expenses such as legal fees, court costs, etc.

Selling Expenses

39 Selling Expenses - Salaries, Executive -- Includes compensation to sales managers who do not primarily solicit sales, direct or dealer, marketing manager, sales trainer, sales administrator, sales promotion manager, advertising manager, and sales service manager.

40 Salaries and Commissions, Salesmen -- This account is charged with salesmen's salaries and commissions in connection with selling.

41 Sales, Sales Office Clerical -- Includes salaries of the estimator, sales service personnel, secretaries and stenographers working with sales, and order writers.

42-43 Payroll Taxes - Employee Benefits -- These accounts are charged with items similar to those listed under the same classifications in Factory Payroll, as they apply to Sales Department Employees.

44 Travel and Entertainment Expense -- Travel and miscellaneous expenses (such as entertainment of customers and prospects) are charged to this account.

45 General Selling Expense -- Space or occupancy expense, office supplies, telephone, etc.

46 Shipping and Delivery Expense -- This account includes such items as freight, express, parcel post, outside delivery services, etc. Report the net expense after delivery to the customer, i.e., the total difference between the amounts billed to the customer and the amounts paid for transportation expense to the customer.

47 Advertising -- Charge to this account the cost of mailing lists bought or compiled; the expense of preparing, printing, and mailing the firm's advertising; the cost of newspaper, radio or television advertising or promotion; directory, novelty, and other forms of advertising.

50 OPERATING INCOME OR LOSS -- This is the credit (Operating Profit) that remains after subtracting Total Administrative and Selling Expenses from Gross Profit. If the expenses exceed the Gross Profit, the difference is an Operating Loss.

Other Income and Expense

51-52 Other Income -- Include sale of scrap and plates in item 51.

54-55 Other Expense -- This category breaks out separately interest expense and miscellaneous other expenses.

57 Net Other Income or Expense -- This is the net difference between Other Income and Other Expense. If the net balance is Income, it is, of course, added to Operating Income; if the net balance is Expense, it is deducted from Operating Income.

58 NET INCOME OR LOSS (before Income Taxes)

Item

BALANCE SHEET

ASSETS

Current Assets

100 **Cash** -- This account shows cash in bank and on hand.

101 **Notes and Accounts Receivable** -- This account shows as a balance the face value of all notes and outstanding charges held against others.

102 **Allowance for Bad Debts** -- This makes provision for possible losses from uncollectible customers' accounts.

104-108 **Inventories** -- Raw Materials, Finished Products, Work in Process, and Other Inventories.

109 **Other Current Assets** -- Shows other current assets not already listed, such as prepaid expenses, etc.

Fixed Assets

111 **Real Estate, Land, Buildings** -- Represents the gross cost or value of these investments. For purposes of this report, leaseholder should capitalize their rental expense. In several states an acceptable formula is to multiply your annual rent by 8. The liability could be reported in item 98, long-term liabilities.

112 **Allowance for Depreciation on Buildings** -- Measures the estimated cumulative depreciation.

114 **Machinery and Equipment** -- Capitalize leases as in item 111.

115 **Allowance for Depreciation on Machinery and Equipment** -- Measures the estimated cumulative depreciation.

117 **Other Fixed Assets** -- This account shows all other fixed assets not listed above.

118 **Allowance for Depreciation on Other Fixed Assets** -- Measures the estimated cumulative depreciation.

121 **Other Assets** -- Covers any other assets not listed above.

LIABILITIES

Current Liabilities

123 **Notes Payable Within One Year** -- This account shows obligations of the business, such as negotiable paper or other written promises, which the firm is to pay within one year.

124 **Accounts Payable** -- Shows the liability of the business for the total of balances owed creditors and due currently.

125 **Other Current Liabilities** -- This account shows all other obligations payable within one year.

Item

127 Long-Term Debt -- This account shows long-term obligations of the business, in excess of one year (do not include current portions of debt).

128 Other Long-Term Liabilities -- Such as deferred taxes and deferred income.

131 NET WORTH -- This account equals total assets minus liabilities. It includes any of these capital accounts:

Corporation Capital Stock, Issued and Outstanding -- This account represents the aggregate par or stated value of the original and subsequent investments made by stockholders in the Common or Preferred Stock of a corporate form of business, less any subsequent redemptions.

Corporation Surplus and Undivided Profits (Retained Earnings) -- This account, usually found only on the books of a corporation, shows the cumulative earnings of the business not distributed as dividends and not specifically reserved for some definite purpose.

Proprietary Capital (Individual Proprietorship or Partnership) -- This account shows the present net worth or net capital of the individual proprietorship or partnership form of business.

CLASSIFYING EMPLOYEES

Part-Time Employees

One of the important facts shown in the IBFI Ratio Study is the number of full-time employees in the average firm. This is the basis for computing the highly significant Pay per Employee, and Production or Sales per Employee.

It is necessary, therefore, that your listing of the number of employees in your firm be reasonably accurate. Note that the information requested is the average number of *"full-time"* employees.

If your firm has a substantial number of part-time employees you should count them as a proportionate number of full-time employees. For example, if you have 20 part time employees who work an average of 3 months (¼ of a year), they would be equivalent (¼th of 20) to 5 full-time employees.

Split-Time Employees

It is also important that employees be classified correctly as between Factory, Administrative (office), and Selling. There are some employees whose functions overlap into two or more of these areas. For any employees, especially Executives, whose time and effort are divided between Factory (Production), Administrative and/or Selling, accuracy requires that their salaries or wages be split or apportioned accordingly.

If only a minor amount of the executive's or employee's time is split, he should be classed, and his entire wage or salary apportioned to his predominant function -- Factory, Administrative, or Selling. Where a split is indicated, a reasonable estimate of the split or apportionment is all that is necessary. The same rule applies to allocating production employee time between departments or jobs.

Split-Time Employees - continued

Estimators: If their function is primarily to prepare estimates for sales purposes, they should be classed as Selling Clerical. If their time is split between preparing sales estimates (Selling), checking Job Cost Sheets and preparing them for billing (Administrative), and/or compiling production records and standards (Factory), their time (salaries) should be split and apportioned accordingly.

Production Control or Scheduling: Employees who schedule and follow jobs through production to completion and delivery, should be classed as General Factory regardless of whether the work is done in the plant or in the office.

Sales Expediters: Employees whose primary job is to take over from salesmen the details of job preparation (ordering art work, photos and photo-engraving, maintaining customer contact for copy, proofs, etc.), should be classed as Selling Clerical. If they also follow jobs through the plant for production or production scheduling (Factory), their time (salaries) should be split accordingly between Selling Clerical and General Factory.

Purchasing Agents: Employees who specify and order paper, ink, and other Materials and Factory Supplies, should be classed as General Factory.

In Classifying employees, the *function* of the employee is the important consideration, not where the work is performed. Where doubt exists as to classification or split, preference should be given first to Factory, then to Selling, and finally to Administrative.

Proprietor's and Partner's "Salaries"

Proprietors or Partners should always include in their expenses of the business an adequate "salary" for their services, even if it is not actually drawn regularly. Otherwise, the real comparable profits of an unincorporated business may be grossly overstated. Of course, these "salaries" must later be deducted from expense in making tax returns. But they should be included in the expenses shown in IBFI Ratio reports from proprietorships and partnerships.

These Proprietor's or Partner's "salaries" should always be apportioned between Factory, Administrative and Selling according to reasonable estimates of time spent on each of these phases of the business, as explained above.

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1730 North Lynn Street, Arlington, Virginia 22209

OPERATING COST SCHEDULE FOR BUSINESS FORMS COMPANIES

International Business Forms Industries/PIA
1730 North Lynn Street
Arlington, Virginia 22209

Fiscal year ended _____

Company code _____

Zip Code _____

Number of plants covered by this report _____

PLEASE!

Put all negative figures in parentheses.
Check your work.
Be sure to keep a copy.

READ THE DEFINITIONS BEFORE COMPLETING THIS REPORT

COMPLETED QUESTIONNAIRES SHOULD BE RETURNED NO LATER THAN MARCH 16

	To Dealers		To Consumers		Total
I. Sales by Product and Distribution					
Business Forms:					
A. Continuous Custom	$	+	$	=	$
B. Continuous Stock		+		=	
C. Unit sets		+		=	
D. Sales/manifold book		+		=	
E. Commercial printing and other forms		+		=	
F. **Total products manufactured** *(sum of A-E)*	$	+	$	=	$
G. Forms manufactured in their entirety by others		+		=	
H. Services and other products		+		=	
I. **Total Sales** *(sum of F-H)*	$	+	$	=	$

II. Employee break-downs *(numbers of all paid employees including executives, partners, or owners):*

J. Factory *(average)* _____

K. Administrative *(average)* _____

L. Sales Department *(average)* _____

M. Total employees *(sum of J-L)* _____

III. Average Order Size—number of sets in an average order *(check one):*

☐ Under 10M ☐ 10-25M ☐ 26-50M ☐ 51-100M ☐ Over 100M

PLEASE!

Put all negative figures in parentheses.
Check your work.
Be sure to keep a copy.

	Omit Cents	Omit Cents

FORMS MANUFACTURING

Computation of Value of Production—Forms Manufacturing

Net sales for latest fiscal year *(item F from page 1)*		
Less work in process and finished goods, beginning of year balances		
Add work in process and finished goods, end of year balances		
1a. Value of products manufactured		
1b. Outside purchases *(item G from page 1)*		
1. **Value of Production—Forms Manufacturing** *(1a. plus 1b.)*		
Cost of Production:		
Materials:		
2. Paper		
3. Carbon		
4. Other *(trade composition, binding, ink, carbons)*		
5. Outside finished products		
6. Total materials used *(sum of items 2-5)*		
Factory Payroll:		
7. Supervisory salaries		
Direct Wages *(including overtime but not payroll taxes or benefits)*		
8. Prepress		
9. Press		
10. Collator Operators		
11. General binders		
12. Total paid to direct employees *(sum of items 8-11)*		
13. Direct employee overtime wages *(included in 12 above)*		
14. General factory salaries and wages		
15. Packing, shipping, and delivery wages		
16. Payroll taxes for all employees		
17. Employee benefits for all employees		
18. Total factory payroll *(sum of items 7, 12, 14, 15, 16, 17; exclude line 13)*		
Factory Fixed Expenses:		
19. Occupancy expense		
20. Insurance		
21. Taxes *(real estate, property)*		
22. Depreciation		
23. Total factory fixed expenses *(sum of items 19-22)*		
24. Other factory supplies and expense		
25. Total factory expense *(sum of items 23, 24)*		
26. Total cost of production *(sum of items 6, 18, 25)*		
27. Gross profit—Forms Manufacturing *(item 1 less item 26)*		

PLEASE!

Put all negative figures in parentheses.
Check your work.
Be sure to keep a copy.

	Omit Cents	Omit Cents
OTHER OPERATIONS		
28. Value of other products or services *(item H adjusted for changes in inventories)*		
29. Cost of other products or services		
30. Gross Profit–Other Products or Services *(item 28 less item 29)*		
Forms Manufacturing and Other Operations		
31. Total Gross Profit–All Operations *(item 27 plus or minus 30)*		
Administrative Expenses		
32. Salaries, executive		
33. Salaries, office		
34. Payroll taxes		
35. Employee benefits		
36. General office expense		
37. Bad debts		
38. Total administrative expense *(sum of items 32-37)*		
Selling Expense		
39. Salaries, executive		
40. Salaries and commissions, salesmen		
41. Salaries, sales office clerical		
42. Payroll taxes		
43. Employee benefits		
44. Travel and entertainment expense		
45. General selling expense		
46. Shipping and delivery expense		
47. Advertising		
48. Total selling expense *(sum of items 39-47)*		
49. Total administrative and selling cost *(items 38 and 48)*		
50. Operating income (loss) *(item 31 less item 49)*		
Other Income and Expense *(Please be sure to put negative items in parentheses)*		
51. Gross proceeds from sale of scrap		
52. Other income		
53. Total other income *(items 51 & 52)*		
54. Interest expense		
55. Other expense		
56. Total other expense *(items 54 & 55)*		
57. Net other income (expense) *(item 53 less item 56)*		
58. Net income (loss) before income taxes *(item 50 plus or minus item 57)*		

[OVER FOR BALANCE SHEET]

PLEASE!

Put all negative figures in parentheses.
Check your work.
Be sure to keep a copy.

BALANCE SHEET
ASSETS

	Omit Cents	Omit Cents
Current Assets		
100. Cash		
101. Notes and accounts receivable		
102. Less allowance for bad debts		
103. Net receivables *(item 101 less item 102)*		
Inventories		
104. Raw materials		
105. Finished products		
106. Work in process		
107. Other inventories		
108. Total inventories *(sum of items 104-107)*		
109. Other current assets		
110. Total current assets *(sum of items 100, 103, 108, 109)*		
Fixed Assets		
111. Real estate *(land and building)*		
112. Less allowance for depreciation on buildings		
113. Net real estate *(item 111 less 112)*		
114. Machinery and equipment		
115. Less allowance for depreciation on machinery and equipment		
116. Net machinery and equipment *(item 114 less item 115)*		
117. Other fixed assets		
118. Less allowance for depreciation		
119. Net other fixed assets *(item 117 less item 118)*		
120. Total fixed assets *(items 113, 116, 119)*		
121. Other Assets		
122. Total assets *(items 110, 120, 121)*		

LIABILITIES AND NET WORTH

Current Liabilities		
123. Notes payable within one year		
124. Accounts payable		
125. Other current liabilities		
126. Total current liabilities *(sum of items 123-125)*		
127. Long-term debt		
128. Other long-term liabilities		
129. Total long-term liabilities *(sum of items 127 and 128)*		
130. Total liabilities *(items 126, 129)*		
131. **Total net worth** *(item 122 less 130)*		
132. **Total liabilities and net worth** *(items 130 and 131)* *(item 132 = 131 + 122)*		

NAME OF PERSON TO CONTACT IN CASE OF QUERIES: _____

International Business Forms Industries, Inc., a worldwide trade association of over 450 forms manufacturers and their suppliers, is dedicated to providing a positive industry environment through programs in management, economic and market research, technical research and manufacturing.

Printing Industries of America, Inc. is the largest trade association in the world meeting the needs of the printing and allied industries. It is composed of the following divisions:-Master Printers of America and the Union Employers of America; the following departments:-Association Relations, Government Affairs, Management Services (including Insurance) and Public Relations; the following special interest sections:-Binding Industries of America, Conference Board of Major Printers, Financial Printers Association, Graphic Arts Equipment and Supply Dealers Association, Graphic Arts Marketing Information Service, Association of Graphic Arts Consultants, Graphic Communications Computer Association, International Book Printers Association, International Thermographers Association, Label Printing Industry Section, Lithographic Preparatory Services Association, Magazine Printers Section, National Composition Association, National Association of Lithographic Plate Manufacturers, Non-Heatset Web Section, Printing Industry Credit Exchange, Security Lithographers Section, Web Offset Section and Yearbook Printers Association. PIA has local and regional affiliated associations operating in the major graphic arts centers in the United States. Affiliated International Association: International Business Forms Industries, Inc.